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All Transmission System
Operators and all interested
parties and stakeholders

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Date: 14 October 2015

Dear Colleague,

Ofgem's decision to assign TSO obligations under the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM) within GB.

CACM entered into force on 14 August 2015. This letter sets out our decision on assigning the new obligations under CACM to the GB TSOs that are currently operational¹ in GB. CACM Article 1(3) allows us to assign TSO obligations to one or more different, specific TSOs as there is more than one TSO in our Member State. We have assigned these obligations because it is our view that not all GB TSOs currently have the relevant functions required to comply with all obligations. We consider that this assignment represents a proportionate response based upon TSO existing functions.

It is likely that other electricity European Network Codes (ENCs) may also include a similar provision to Article 1(3) for the assignment of TSO obligations. Our current intention would be to run a similar process for the assignment of tasks as implemented here. The need for such a process will become clearer once the other codes are finalised.

Consultation responses

We received eleven responses to our Consultations, none of which were marked confidential². The key issues raised are summarised in Annex 1, along with our response.

Ofgem's approach to assigning TSO obligations

The final decision as set out in Annex 2 is based upon our application of Article 1(3), the additional information provided by TSOs in their responses and GB TSOs' current functions as set out in their licences.³

In reaching this decision, we have informed our neighbouring regulators and have ensured that they are aware of our TSO allocation, especially in the case of the Interconnector TSOs on our borders.

¹ By operational we mean actively fulfilling the role described in their licence.

² The consultations and responses can be found [here](#) (for all TSOs except those owning offshore lines) and [here](#) (for the OFTOs).

³ TSO licences provide the current functions of each sub group of TSOs. The current consolidated licence conditions can be found [here](#).

Ofgem's decision

Our decision for each sub group of TSOs is set out below and should be read in conjunction with Annex 2 which breaks down the decision to a Sub Article level. Annex 2 also includes a table that summarises the types of Articles that make up CACM and a brief description of each category. We have included this to assist stakeholders.

- **Offshore Transmission Owners (OFTOs)** are not currently directly involved in market operations; their remit under their licence is the maintenance of their transmission system and asset availability. We have not identified a benefit from requiring their involvement in the design of the methodologies, terms and conditions for capacity calculation, Intraday (ID) or Day Ahead (DA). The current OFTOs are point to point connections between an offshore energy generator and the main integrated transmission system (the grid). They are not part of the main integrated transmission system. We have not identified a benefit from requiring their involvement in the design of methodologies, terms or conditions in relation to operational security boundaries for secure grid operation. We do however recommend that OFTOs consider the consultations on the proposed methodologies required by CACM in order to provide a response to the TSOs participating in their development.

The OFTOs requested the removal of the obligation for compliance with the discretionary Articles⁴. Since these (sub) Articles deal with situations and processes which do not directly relate to asset availability or system maintenance we agree with their request with the exception of Article 81. This allows a TSO to delegate tasks to a third party and we consider that this Article will potentially allow the OFTOs future flexibility if they wish to delegate tasks after the development of the methodologies, terms and conditions.

All TSOs will need to comply with CACM data provision requirements. These will likely be akin to the type of data TSOs currently provide to the System Operator (SO). This data will allow the SO to fulfil its responsibilities for the operation of its own control area and the additional cross border responsibilities that CACM creates. Due to these data provision requirements, we have also assigned the cost recovery Articles in order for the OFTOs to recover any additional costs which they may incur above those currently in place for providing such data to the SO. However, we would not expect the additional costs to be significant as the obligations assigned to TSOs are in line with their existing licence obligations.

OFTOs will need to comply with a number of general processes and procedures⁵. These do not have specific obligations per sub group of TSO but provide an overview of objectives or provide definitions of roles / processes which TSOs must abide by if obligated to comply with certain tasks.

- **Onshore Transmission Owners (TOs)** are not currently directly involved in ID and DA market operations; their remit under their licence is the same as for the OFTOs: asset availability and the maintenance of their transmission system. Therefore, as with the OFTOs, we see no benefit from requiring their involvement in developing the methodologies, terms and conditions for capacity calculation, ID or DA.

We do see a benefit for TO compliance to Articles dealing with the operational security boundaries for secure grid operation. This is because these Articles may have an impact on the TOs' existing functions through the development and maintenance of the main integrated transmission system in the future, of which they are a part. This position differs from our minded to decision where we assigned all methodologies,

⁴ Discretionary articles give the TSOs the option to participate in certain activities and are listed in a table at the bottom of Annex 2.

⁵ The exceptions being the removal of the obligation for the general provisions for the adoption of methodologies, terms and conditions (Article 9), and the consultation procedure (Article 12), from the OFTOs as they will not be taking part in these elements of CACM.

terms and conditions to all onshore TOs. If TO functions change in the future, it will be up to the TOs affected to contact us and justify any change in obligation.

TOs will also need to comply with the Articles on data provision, general processes, the discretionary articles and cost recovery Articles as explained above.

- **GB Interconnectors (ICs)** are directly involved in cross border market operations; their remit is to manage the electricity flows taking into account exchanges with interconnected systems. Therefore we consider that all TSO obligations under CACM are applicable to the ICs where they deal with the capacity for cross border electricity flows.

ICs will also need to comply with the Articles on data provision, general processes, the discretionary Articles and cost recovery Articles as explained above.

- **The SO** is responsible under its licence for the real time operation of the GB electricity grid. Ofgem considers that all TSO obligations under CACM are applicable where there are grid operational requirements. This includes Articles on capacity calculation, DA and ID and the costs associated with them.

In our minded to decision we assigned all Articles with respect to firmness of allocated cross zonal capacity solely to ICs. In the light of two responses to our consultation we have reconsidered and now include the SO in this assignment due to its control over constraints in Force Majeure or emergency situations.⁶

In our minded to decision all GB TSOs were assigned the coordinated capacity calculator tasks as the entity which will perform the role has yet to be determined. However, in the GB framework, existing capacity calculation is an SO role. We consider it logical that this obligation will either become an SO function at regional level or it will be a function delivered by a third party. Our assignment of obligations now reflects this.

The SO will also need to comply with the Articles on data provision, general processes the discretionary articles and cost recovery Articles as explained above.

Statement of reason for not carrying out an impact assessment⁷

We will not be undertaking an Impact Assessment as part of our decision on the assignment of TSO obligations under CACM. Please see our reasoning below:

- The default position for GB TSOs under CACM is that all TSOs comply with all TSO obligations. This would mean a greater regulatory burden as well as much higher administration costs which would ultimately be passed on to the consumer. By exercising the discretion afforded through the use of Article 1(3) and our use of consultations, Ofgem has provided a proportionate assignment of obligations to GB TSOs. This reduces the regulatory burden imposed on TSOs and the costs which would have been passed on to consumers.
- It is possible that some or all TSOs will have new obligations under CACM. However, it is likely these obligations will reflect the roles and functions TSOs currently perform. Therefore, we think it's unlikely that assigning obligations to TSOs under CACM will have a significant impact on market participants as obligations assigned to TSOs are in line with their existing obligations under their TSO licences.

Accordingly, we consider that an impact assessment is unnecessary.

⁶ Please see the table of responses in Annex 1 for further detail.

⁷ Section 5A of the Utilities Act 2000 was inserted by section 6 of the Sustainable Energy Act 2003 and states that Ofgem has a statutory duty to either carry out an impact assessment or to publish a statement setting out our reasons for not doing so.

Formalising the decision

To allow us to assign TSO obligations for CACM and to ensure that the enforcement route is clear and transparent, the obligations must be formalised within the GB framework. Our current thinking is that this would be achieved through a licence modification to the respective TSO licences, along with an ancillary document which breaks down the TSO responsibilities. Please see the additional comments section in Annex 1 for further detail.

Future changes to GB TSO obligations under CACM

We will review the assignment of the GB TSO obligations if one of the following applies:

- **Potential review of GB TSO assignment of obligations after the development of the methodologies, terms and conditions.** We consider that a further review of obligations will only occur if one or more TSOs provide clear evidence that the original assignment does not reflect an enduring 'function relevant'. The TSO will also need to prove that to keep the obligation will cause an additional burden upon the TSO as well as unnecessary costs to the consumer.
- **When a new TSO becomes operational / there is a change in TSO activity.** If this TSO believes it does not have 'functions relevant' to be able to comply with the assignment set out in the ancillary document for its subgroup, then we consider that it is the responsibility of the TSO to notify us and provide evidence for this view. It will then be our decision, based upon the evidence provided, whether to instigate a review (including consultation) which may lead to a change in the assignment of obligations for GB TSOs.
- **Amendments to CACM.** It is our view that where amendments are made, the TSOs shall provide justifications for a review based upon why certain Articles do (if didn't before) / do not apply. We will proceed with a consultation if justifications prove to be proportionate and in line with existing TSO functions as set out in their Licence.

If you have any queries regarding the information contained within this letter or the annexes please contact Michelle.Murdoch@ofgem.gov.uk

Yours faithfully

Mark Copley
Associate Partner Wholesale Markets

Annex 1: Consultation responses

1) Do you agree that we have correctly identified the Articles of the CACM Regulation which place an obligation on TSOs?

In general, the responses received broadly agree that the Articles identified as TSO obligations are the correct ones. There are some disagreements on the assignment of certain obligations to specific subgroups of TSOs which are explained under question three below.

One response states that a newer draft version of CACM was issued in early April and that there may be changes to TSO obligations. We have reviewed the published text against the draft issued in early April as well as the previous draft and we consider that there has been no material change made to the obligations on TSOs.

2) Do you agree with Ofgem's application of Article 1(3) in assigning obligations to GB TSOs?

The responses to this question are broadly positive. The three main issues are dealt with below.

One response queries the timing of the assignment by Ofgem. It states that it is unclear whether onshore TOs will have relevant functions until the CACM methodologies, terms and conditions are developed. We consider that a decision on the assignment of GB TSO obligations must be confirmed before the development of the methodologies, terms and conditions for two reasons:

1. We want to ensure that relevant GB TSOs are ready to contribute to the development of the methodologies, terms and conditions within the timeframes set out in CACM (for example, the OFTOs have had this obligation removed).
2. This assignment is also a pre-requisite for the MS task of allocating TSO voting rights in GB. This assignment will ensure that it is only the obligated TSOs for the development of each methodology, term and condition that participate in the voting on these proposals.

If we do nothing then the default of all TSOs complying with all obligations applies. TSOs that do not have functions relevant to certain CACM tasks will be able to influence the development of methodologies, terms and conditions as well as vote on them which could lead to delays in approvals and have a negative impact on the implementation of CACM as a whole.

Another response raises doubts as to whether we have the powers to utilise Article 1(3) on behalf of the MS. In their letter of 18 December 2014 (Annex 3), DECC confirmed that it considered Ofgem to be best placed to carry out this task. We consider that we have the vires to act through the assignment of this role to us by DECC, the direct applicability of CACM and through our ability to act as an emanation of the MS.

Five responses include uncertainty around what the obligations placed upon GB TSOs will be at a sub Article level. For the OFTO minded to decision, we broke down obligations to a sub Article level (where needed) to further clarify roles. This process has been continued through to the final decision in order to maintain consistency and to be as clear as possible in assigning obligations.

One response suggests that such a breakdown should occur after the development of the methodologies, terms and conditions. While waiting would allow greater clarity on the specifics of data provision per sub group of TSO in particular, we can already confirm that there will be an obligation and (in most cases) on to whom it will fall. If after the development of the terms, conditions and methodologies, a TSO or sub group

of TSOs can clearly show that they do not have an enduring function relevant to a TSO obligation which they have been allocated, and that to keep the obligation will cause an additional burden upon the TSO as well as unnecessary costs to the consumer, then a review of their position can take place.

Two OFTO responses highlighted that OFTOs already provide data similar to that they will be obliged to provide under various Articles of CACM. We note that data provision requirements under CACM are likely to cover the same or similar data to the type of data OFTOs already currently provide to the System Operator, however it is the responsibility of the OFTOs to ensure that they are compliant with all relevant legislation.

3) Do you agree with Ofgem's minded to decision on the assignment of obligations under the CACM Regulation to GB TSOs?

Responses highlight two areas of uncertainty as well as some doubts over specific TSO obligation assignments.

The first area focuses upon issues around the relationship between European legislation and the existing GB framework. Three responses query:

1. Whether the minimal onshore TO role in market operations under the current industry framework in GB can be recognised in the CACM assignment decision.
2. Whether the existing levels of confidentiality in the OFTO licence will fulfil the confidentiality clause in CACM.
3. Whether existing levels of data provision under the GB framework will be enough to comply with CACM obligations as well as if data provision is a 'function relevant' under CACM at all.

Our CACM assignment decision reflects TSO existing functions in their licences and so does recognise the minimal onshore TO role in market operations under the current industry framework in GB. However, CACM is a new piece of EU legislation. It confers new responsibilities on existing entities (e.g. TSOs). EU law takes precedent over domestic MS legislation and is directly applicable in MS' once in force. It is not a case of where the ENCs should fit within the existing GB regulatory framework but more how best the GB regulatory framework can reflect and accommodate these requirements.

The OFTO licence provides that any information relating to, or deriving from, the management or operation of the Transmission Business is treated as confidential information and only disclosed in very limited circumstances. We consider that when dealing with data under the data provision requirements in CACM, it is a matter for each TSO to satisfy itself that it is complying with all relevant obligations: to understand what the licence confidentiality requires and what CACM confidentiality requires.

Until the methodologies are developed, it cannot be confirmed exactly what levels of data provision will be needed. By implementing Article 1(3), Ofgem is assigning obligations to operational TSOs where it believes that a TSO can currently comply (function relevant). This assignment reflects the existing roles of the sub groups of TSOs operating in GB today and so will reflect existing responsibilities under the GB industry codes. However, CACM establishes a brand new fully functioning and interconnected European energy market and dependent upon the completion of the methodologies, TSO obligations under CACM may include additional levels of responsibility. Ofgem considers data provision as a 'function relevant' because it is an integral element for the successful operation of procedures for the day-ahead and intraday timeframe which the SO will undertake. Compliance to data provisions allows the SO to discharge wider obligations under CACM.

The second area focuses on the breakdown of the type of TSO tasks. We have received six responses expressing various concerns around what constitutes a TSO obligation and what is optional as well as what Ofgem's role is in TSO compliance:

1. Two responses discuss the types of TSO tasks, one stating that the minded to annex indicates the TSOs who are impacted by CACM rather than identifying those who have a legal obligation to fulfil the tasks. Both are looking for clarity as to which TSOs have obligations under an article and which TSOs have optional involvement. Both are also looking for Ofgem to highlight which TSOs have a supporting role and which have a lead role for a TSO obligation.
2. Three responses agree that the TSO is best placed to determine the most appropriate method of compliance and one response requests that Ofgem co-ordinate TSO compliance. Another response suggests that Ofgem's assignment of obligations negates the need for the application of Article 81 (delegation of tasks) and asks that Ofgem keeps the OFTOs updated on any additional requirements which arise during the development stages of the methodologies, terms and conditions.

The default position is that all TSOs must comply with all TSO obligations. Article 1(3) allows for a more proportionate allocation based upon a TSO having a 'function relevant' to a TSO obligation. The onus is on the TSO to provide justification where it believes that it does not have a 'function relevant'. Under public law principles, Ofgem needs to be able to provide valid, adequate justification for why we would place regulatory burdens on some parties and release other parties from the same regulatory burdens. All TSO tasks must be assigned to one or more TSOs. Optional involvement is relevant to the discretionary Articles alone, which are discussed in the decision letter.

As stated in the consultation letter of 25 March 2015; "We consider that our [Ofgem's] role is only to assign responsibility for the specific obligations under the CACM Regulation to the most appropriate TSOs....It is our opinion that the TSOs themselves are best placed to determine the most appropriate method of compliance with these new obligations." This being the case; "Any TSO may choose to utilise Article 81....to delegate any element of any obligation to a third party."

OFTOs, through a letter from their forum (ENA), have notified us that they did not wish to be involved in the development of terms, conditions and methodologies; although they recognise that they will need to comply with them. We would suggest that if they wish to be kept informed of any additional requirements which may be placed upon them through the development phase that they communicate with the SO and respond to the consultations which the TSOs participating in the development phase will be obliged to perform.

Specific Article assignment queries and our decision on these assignments can be found in the table at the bottom of this Annex.

4) How do you think Ofgem should assess future changes to the assignment of TSO obligations under the CACM Regulation?

Of the responses received to this question; three suggest that a review of obligations should be implemented after the methodologies, terms and conditions have been developed, three responses agree that future changes should be TSO led⁸, three responses support an Ofgem led approach for all future changes and two responses favour a joint assessment (Ofgem / TSO) approach followed by a formal assignment process.

⁸ The one exception mentioned in one response, was for Ofgem to take the lead where amendments are made to CACM.

After consideration of the responses received, we have come to the following conclusions:

- 1. Potential review of GB TSO assignment of obligations after the development of the methodologies, terms and conditions.** We will review if a TSO provides clear evidence that a participating TSO does not have an enduring 'function relevant' in the original assignment and that not to remove this obligation will cause an additional burden upon the TSO as well as unnecessary costs to the consumer.
- 2. When a new TSO becomes operational / there is a change in TSO activity.** When a new TSO is granted a licence, that licence will include the obligation to comply with the 'functions relevant' set out in the ancillary document; the ancillary document must be complied with. We consider that it is the responsibility of the TSO to notify us and provide evidence for their view if they believe that they do not have 'functions relevant' to be able to comply. Any existing TSO which can justify a change to the ancillary document through a change in their activities shall also notify Ofgem and provide evidence. It will then be our decision whether to instigate a review (including consultation) which may lead to a change in the assignment of obligations for GB TSOs.
- 3. Amendments to CACM.** TSOs to provide justifications for a review based upon why certain Articles do (if didn't before) / do not apply. We will proceed with a consultation if justifications prove to be proportionate and in line with existing TSO functions as set out in their Licence.

Additional Comments

Formalisation costs: Two responses include concerns over the potential costs for OFTOs if the TSO obligations are formalised through licence modification or STC (System operator – Transmission Owner Code) amendments. No alternative route is given. To ensure that the enforcement route for the GB TSO is clear and transparent and to allow us to assign obligations, the TSO decision for CACM (and other ENCs) must be formalised within the GB framework. Since OFTOs indicate that both licence modification and changes to the STC⁹ will trigger the OFTO approval process with their lenders, Ofgem has investigated which route is the least onerous in time and cost to the GB consumer. We consider that a licence modification to all TSO licences along with an ancillary document breaking down the TSO responsibilities by TSO subgroup will provide a clear assignment of responsibility.

ENTSOE development of methodologies, terms and conditions. One response queries the fact that ENTSOE are already working upon a number of methodologies, terms and conditions and that our decision will assign which GB TSOs should be involved. We would like to point out that the TSOs assigned obligations for a methodology, term or condition under CACM are obliged to become involved before the deadline for the proposal to be presented to the relevant Regulators. This decision has been published before any of these deadlines have passed. It is noted that not all TSOs are members of ENTSOE, however it is our understanding that all TSOs have the opportunity to input into these discussions, whether they are a full member of the organisation or not.

⁹ As a minimum, we expect that the SO-TO Code (STC) and the Connection & use of System Code (CUSC) would need to change.

Table of Responses received on Article Assignment and Decision.

Consultation Response	What the Article(s) state	Minded to Decision	Decision
Articles 45 and 57 should have the same allocation and include the SO as well as potentially the onshore TOs	Articles 45 (DA) and 57 (ID) state that TSOs in bidding zones where more than one NEMO is designated / and or offers trading services, or where ICs which are not operated by certified TSOs shall develop a proposal for cross zonal capacity allocation and other necessary arrangements for such bidding zones in cooperation with concerned TSOs, NEMOs and operators of ICs who are not certified as TSOs to ensure that the relevant NEMOs and ICs provide the necessary data and financial coverage for such arrangements.	The analysis has both Articles 45 and 57 allocated to onshore TOs and ICs whereas the actual allocation did not reflect this (a drafting mistake).	Due to having two PXs (potential NEMOs) operating in GB already, for the DA pilot project, a virtual hub has been created. This hub was the solution agreed upon to deal with the circumstance described in Articles 45 and 57. The GB hub is like a virtual interconnector with infinite capacity that flows between the two GB power exchanges. Following the clearing price determined by the algorithm, the GB hub will trade with the two GB platforms to ensure parties submitting bids/offers to the platforms receive the appropriate volume at the algorithm clearing price. The TSOs involved in the set up and operation of this hub are the ICs only. After further consideration into this area, we agree that Articles 45 and 57 include functions relevant to ICs only. To include the onshore TOs /SO would be to increase the cost to the GB consumer with no identifiable benefit gained.
Articles 49 & 61 (scheduled exchanges) should only be allocated to NGET as it will be responsible for ensuring the Scheduled Exchange calculation is performed relative to its control area.	Calculation of scheduled exchanges resulting from DA and ID. This will be performed by the scheduled exchange calculator (as yet to be identified).	IC, TO and SO obligation.	We consider that it is not appropriate to pre-judge the outcome of the two methodologies for calculating scheduled exchanges resulting from DA and ID coupling (Articles 43 and 56 respectively), however we can state at this time that these articles refer to market coupling operations and so OFTOs and TOs do not at this time have a 'function relevant'. When the TSO who becomes the scheduled exchange calculator is confirmed, these Articles will only apply to this TSO; no obligation will be expected of the remainder of the TSOs assigned the obligation at this time. We consider that Articles 49 and 61 at this time include functions relevant to ICs and the SO.
Articles 69 and 79 suggest firmness refers to IC capacity only and therefore confer obligations on IC TSOs. CACM provides for cross-zonal capacity on any given Bidding Zone border to be restricted for reasons of operational security internal to either Bidding Zone. ICs would have little control or influence over this so NGET has an obligation here. Where cross zonal capacity is allocated implicitly in DA, the real time responsibility for the delivery of that energy flow on an IC after the DA firmness deadline is with the TSO concerned with Balancing.	Article 69 requires a common proposal for a single DA firmness deadline. Article 79 states that the costs for ensuring firmness in accordance with Articles 70(2) and 71 shall be borne by the relevant TSOs.	Articles 69, 79 and 71 allocated to ICs only.	After further consideration, we agree with this justification for the inclusion of the SO due to its control over constraints in Force Majeure or Emergency Situations. Therefore our final decision is that Articles 69, 71 and 79 place obligations on the SO and the ICs. This is now also the case with Article 70 (2) as this also deals with firmness and allocation constraints.
Article 83 should also apply to NGET insofar as some obligations where there is interaction with the I-SEM and SONI/EirGrid control areas are deferred.	Sets out the transitional provisions for Ireland and NI.	EirGrid / Moyle only.	After due consideration, we agree with the justification for the inclusion of the SO for obligations under Article 83. The SO will need to interact with SONI / EirGrid regions when dealing with constraints, redispatching and countertrading and balancing. Therefore our final decision is that Article 83 will place obligations upon the SO as well as EirGrid and Moyle.
Article 42: the SO is not involved as a TSO in the calculation of DA cross-zonal capacity charge	States that the DA cross-zonal capacity charge shall reflect market congestion and places restrictions on additional fees and charges.	SO, IC and onshore TO.	After further investigation, we agree that the only entities involved in the calculation of the DA cross-zonal capacity charge will be the ICs and the NEMOs through the DA algorithm. Therefore we consider Article 42 is an IC obligation only.
Articles 68 and 77: Do not see a circumstance where the SO would undertake a shipping agent role but understand that it may not be able to be ruled out at this early stage. If were to become one, would need to ensure it did not contradict other obligations within TSO licence.	Article 68 deals with the clearing and settlement of all matched orders in the DA and ID timeframes. Article 68(6) – (8) states that a shipping agent may act as a counter party for the exchange of energy and the collection of congestion incomes for DA and ID. TSOs can be shipping agents. Article 77 deals with the cost incurred by shipping agents.	IC, TO and SO.	We consider that Articles 68 and 77 do not put a direct obligation on any TSO unless they become a shipping agent involved in DA and ID transactions. We have, however, removed the obligation from both OFTOs and the onshore TOs as neither is actively involved in cross border market operations, nor have they expressed a wish to be so. If a TSO becomes a shipping agent, these Articles will only apply to this TSO; no obligation will be expected of the remainder of the TSOs assigned the obligation at this time. Therefore, we consider that Articles 68 and 77 are applicable to ICs and the SO.
Article 73: The SO doesn't gather congestion income and therefore does not expect to be part of the development of the congestion income distribution methodology.	TSOs to develop a proposal for a methodology for sharing congestion income.	Analysis stated IC obligation (whereas the actual allocation did not reflect this, a drafting mistake).	Shipping agents (which a TSO can be) can collect congestion incomes and so potentially may wish to be involved in the development of this methodology. NGET, through their response, has made it clear that they do not believe they will become a shipping agent and so do not wish to be part of the development of this methodology. We do not see a cost benefit to the consumer in placing this obligation upon NGET. Therefore we consider that Article 73 places an obligation on the ICs only, however it should be recognised that if the SO was to become a shipping agent, it would need to comply with the methodology developed.