



Periodic Consultation required under Article 26 of the Tariff Network Code

NTSCMF

11.01.2024



Obligations

- Article 26 of the Tariff Network Code (TAR NC) as Retained in UK Law provides details on the content and process of the periodic consultation on the reference price methodology
- Article 27(5) of TAR NC provides details on the subsequent periodic consultations to be carried out under Article 26 and states that these ‘shall be repeated at least every five years starting from 31 May 2019’.
- This consultation shall be carried out by the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority.
- Ofgem issued a direction that National Gas Transmission should undertake this periodic consultation on 4th December 2023.

Consultation Content

Paragraph 1 of Article 26 details the information that must be included in the consultation.

The topics that must be covered under these requirements include:

- Information on parameters used in the applied reference price methodology that are related to the technical characteristics of the transmission system
- The value of the proposed adjustments for capacity-based transmission tariffs
- Indicative reference prices
- Cost allocation assessment
- Assessment of the proposed reference price methodology against Article 7 of TAR NC
- Comparison with the CWD methodology
- Indicative information set out in Article 30(1)(b)(i), (iv), (v)
- Information on non-transmission services provided to network users
- The indicative information set out in Article 30 (2)

The complete list of the requirements can be seen in Appendix 6 of Ofgem's [UNC 678 minded to decision and draft impact assessment](#)

How the consultation will be used

- The questions asked in the consultation will centre on obtaining Stakeholder views on the information presented rather than more targeted questions around changing any specific features, due to the absence of any developed alternative proposals.
- The established industry led process, with development through NTSCMF, will remain the primary vehicle for industry discussion, methodology development, and UNC change.
- The consultation will not replace this existing change process but rather give stakeholders the opportunity to provide views on the GB charging regime that will help to identify areas for improvement and feed into future discussions.
- These may inform discussions already in flight on the future development of the Transmission and Non-Transmission regimes or may bring out views on other elements not previously mentioned
- After the end of the consultation, we shall publish all non-confidential responses submitted to us.

Indicative Timeline

Activity	Date
Overview at NTSCMF	11 January
Further review at NTSCMF (if required)	06 February
Consultation Published	16 February
Consultation Close	16 April (2 months after publication)
Responses Published	16 May (1 month after close)
Ofgem Decision	31 May

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