



Market Change Newsletter

Issue 22
August 2025



Welcome

Welcome to the latest edition of our Newsletter!

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A Message from Liz Ferry – Head of Markets



Welcome to our August Market Change newsletter...

This edition highlights key developments shaping the future of gas transmission and capacity arrangements. The PARCA 0901R workgroup has made significant progress, with a draft workgroup report now published and an extension granted to incorporate Ofgem's recent licence baseline decision. Building on these discussions, a new modification (0912) has been raised to streamline PARCA commitments, aiming to reduce barriers to capacity reservation.

We continue to assess the implications of EU market changes through 0902R, ensuring GB remains well-positioned in a post-Brexit landscape. On the Charging side, updated Transmission Services charges effective from October 2025 have been published, alongside indicative pricing for the next four years. Modification 0903, the introduction of a single NTS capacity reference price, is now out for consultation and is the culmination of extensive discussions with industry. This is an incredibly important modification and seeks to reduce tariff volatility and sensitivity, while also reducing entry reserve pricing to aid the incentivisation of supply to GB. We ask you to respond to this consultation with your views and if you would like any more information on this topic, please do let us know.

In support of Security of Supply, the 2025 Gas Demand Side Response (DSR) tender is now open, with a target of 2.3 mcm (25 GWh) of aggregate offers. We encourage participation to help strengthen this important balancing tool. On Gas Quality, we're progressing a class exemption request to allow up to 1% oxygen in conveyed gas, supporting biomethane growth while maintaining safety. Additionally, Phase 1 of the Gas Quality Data Transparency project will go live on 19th September 2025, delivering near real-time and historical gas quality data at key network points.

We encourage stakeholders to engage with these developments and share feedback as we shape the future of the gas market together.

[Liz Ferry](#)



Gas Capacity

0901R – Review of arrangements for reservation of NTS Capacity

Workgroups have now been held between January and July 2025 for the [Review of the arrangements for reservation of NTS Capacity](#). Discussions have progressed to a draft workgroup report which has been developed and published. This includes discussions to date and the issues raised, along with potential outcomes. Please see report for further details: [WorkgroupReport0901Rv1.0.pdf](#)

It was agreed at the July workgroup to request a further 3 months extension to this review from UNC Panel which has been agreed. This is to allow for further discussion relating to Ofgem's Decision on the [Modification of NGT licence baselines special conditions: decision](#) in which Ofgem advised would include a list of considerations relevant to this review group.

The next step is to continue discussions and conclude the workgroup report for panel which will be due to panel by October 2025.

For further information or to provide any feedback on this subject please contact [Nicola Lond](#).

0912s – PARCA Quarterly NTS Entry Capacity minimum duration quantity – New Mod

Following the discussions within review group 0901R (see above), we have raised this new modification [0912](#) which proposes to reduce the minimum amount of committed capacity required for NTS Entry Capacity when entering into a Planning and Advance Reservation of Capacity Agreement (PARCA), in the circumstance where no Net Present Value (NPV) test is required.

The reservation of capacity to meet a PARCA request may be met by various solutions. This can be by the reservation of Available NTS Capacity (unsold Baseline), Substitution from another point or by reinforcement (investment) of the network. This Modification proposes to align the minimum level of capacity commitment required when the PARCA is reserving Available NTS Capacity by reducing this to be the same amount as the other solutions, to 4 quarters from 16 quarters.

In reducing this level of commitment, the proposal should reduce the burden on the PARCA applicant and provide a clearer approach to PARCA commitments with all types being at the same level. This in turn may help, in part, to reduce this barrier to the reservation of capacity.

This new Mod was agreed at UNC Modification Panel to be issued to Transmission workgroup with a report to panel due by October 2025.

For further information or to provide any feedback on this subject please contact [Nicola Lond](#).

Review of EU Capacity Allocation Mechanism Network Code UNC0902R

The EU Association for the Cooperation of Energy Regulators (ACER) has proposed amendments to the Capacity Allocation Mechanism Network Code (CAM NC). There will soon be a process led by the European Commission that will culminate in the ‘comitology’ process with EU national ministries to finalise the amendments and establish a timeframe for implementation. Post-Brexit, GB is no longer obliged to implement EU Regulations or any changes thereto, which include the EU Network Codes. However, GB remains physically and commercially interconnected to three EU member states and to NI, therefore, when EU gas market change is proposed, it is appropriate to consider the benefits and risks of both maintaining alignment as well as divergence.

In December 2024, we raised UNC Request [0902R](#) to discuss this subject with industry, seeking to determine the optimum degree of alignment or divergence for GB. So far, we have met on six occasions at [Transmission Workgroup](#) (January - June 2025), please come along to future Transmission Workgroups to join the discussion.

For further information, or to share your thoughts on this subject, please contact [Laura Loughran](#).

Charging

Publication of Capacity Charges

National Gas has recently published the Transmission Services charges that will be effective from 1st October 2025. These charges have been calculated in accordance with the arrangements set out in [Section Y](#) of the Uniform Network Code (UNC), and as

required under Article 29 of the Tariff Code contain details of the multipliers and interruptible adjustments made to the Reference Prices.

Included in the publications are an additional 4 years' worth of future indicative prices, as well as the latest Storage and Revenue Recovery Charges.

Transmission Services Prices (p/kWh/d)	Current	Final	Indicative			
	24/25	25/26	26/27	27/28	28/29	29/30
Entry Capacity Reserve Price	0.1308	0.1086	0.1157	0.1227	0.1101	0.1176
Entry Capacity Reserve Price for Storage (80% discount)	0.0262	0.0217	0.0231	0.0245	0.0220	0.0235
Transmission Services Entry RRC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Exit Capacity Reserve Price	0.0265	0.0299	0.0348	0.0359	0.0379	0.0392
Exit Capacity Reserve Price for Storage (80% discount)	0.0053	0.0060	0.0070	0.0072	0.0076	0.0078
Transmission Services Exit RRC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Final determinations for RIIO-T3, that will inform the Allowed Revenues for the five-year period from April 2026, have not yet been issued and are not expected until later this year. To have revenues for this period to help inform the calculation of prices for October 2025 and indicatives for the four subsequent years, Revenues for the Regulatory years starting April 2026 are based on National Gas Business Plan Financial Model that has been published as part of our RIIO-T3 Business Plan submissions to Ofgem.

We have also published an indicative view of General Non-Transmission Services charges to take effect from 01 October 2025; these are subject to change ahead of their final publication before 31 July 2025.

More detail can be found in the full list of publications on the [Charging Section](#) of the National Gas website:

- [Notice of Annual Yearly Interconnection Point Reserve Prices 2025](#)
- [Notice of Final NTS Annual Quarterly Interconnection Point Reserve Prices from 1 October 2025](#)
- [Notice of Final NTS Exit Capacity Charges effective 1 October 2025](#)
- [Indicative Notice of General Non-Transmission Services Charges from October 2025](#)
- [October 2025 Charging Information Provision](#)

A webinar was hosted by the team on 25th June to give a breakdown of how the capacity charges are determined. For those who wish to find out more, a copy of the

slides can be found here: [Gas Transportation Charges Update – Webinar Slides](#). A video of the full webinar can be found here: [Gas Transportation Charges Update – Webinar Recording](#).

If you have any questions, or require more information, please contact us at box.ntsgascharges@nationalgas.com

Publication of Non-Transmission Charges

On 31st July 25, National Gas published the General Non-Transmission Services charges which take effect from 01 October 2025. This charge has been calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC).

The final General Non-Transmission Services Charge for October 2025 is set at 0.0206 p/kWh. The indicative values for Gas Years 26-27 to 29-30 are contained in the table below.

General Non-Transmission Services Charges (p/kWh)	Current	Final	Future Year Indicatives			
	24/25	25/26	26/27	27/28	28/29	29/30
	0.0075	0.0206	0.0203	0.0215	0.0216	0.0218

Please note: the charges for Gas Year 2025-26 are based upon the System Operator (SO) allowed revenues determined through the Price Control Financial Model (PCFM) as of May 2025. Future year indicative prices for 26/27 on are based on the National Gas Business Plan Financial Model. More information can be found [here](#).

The Compression Charge levied at the North Sea Midstream Partners (NSMP) sub-terminal at St. Fergus is set at 0.0205 p/kWh.

If you have any questions, or require more information, please contact us at box.ntsgascharges@nationalgas.com

UNC Modification 0897

SSE raised UNC [Modification 0897](#) in October 24 to remove revenues associated with Non-Obligated Entry Capacity from capacity neutrality. This modification has been approved and has been implemented from 1st July 2025. Relevant shippers will see this reflected in their in their July's invoices, which will be issued in August.

At National Gas' discretion, extra temporary Firm Capacity can be released, a type of Incremental capacity - this is Non-Obligated Capacity. Prior to this modification, Non-Obligated Entry Capacity did not contribute towards the collection of our Recovered Revenues but was collected as part of the Transmission Services Capacity Charges. This was because the revenue associated with Entry Non-Obligated Capacity was returned to shippers via Capacity Neutrality.

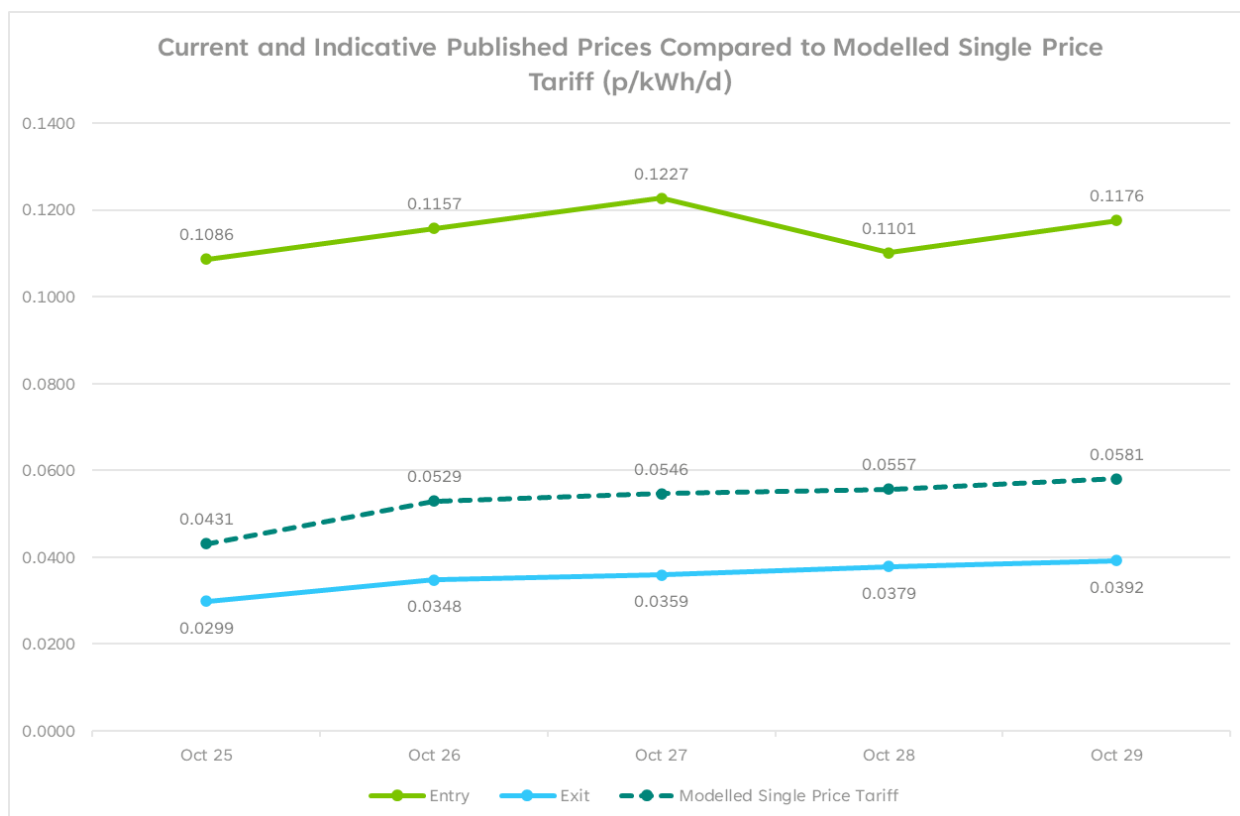
Under the new arrangements, Non-Obligated Entry Capacity will contribute towards the collection of our Recovered Revenues.

If you have any questions, or require more information, please contact us at box.ntsgascharges@nationalgas.com.

UNC Modification 0903

National Gas Transmission raised UNC [Modification 0903](#), which was discussed as a pre-modification at December's NTSCMF. Extensive discussions have taken place at workgroups, and the modification now out for consultation.

This modification proposes to introduce a single NTS capacity reference price. The comparatively lower aggregate quantity of Entry Capacity procured by Users means that Entry Capacity charge rates are far higher than Exit Charges and are also subject to higher levels of volatility. This situation could be considered sub-optimal in that Entry prices remain high comparative to Exit and are likely to remain so. National Gas Transmission believe a change to the Charging Methodology would represent an improvement when compared to the existing regime.



The Introduction of a Single NTS Capacity Reference Price aims to offer improvements to the GB charging methodology and framework by:

Reducing tariff volatility in Transmission Services Entry and Exit Capacity Reserve Prices by changing the methodology to remove the effective ring-fencing of Entry and Exit

Reducing sensitivity in Transmission Services Entry and Exit Capacity Reserve Prices. Changes to the charging methodology can reduce the impacts of sensitivity in the calculations of key drivers.

Reducing Entry reserve prices, compared to what they would be under the status quo. This offers lower costs than it would otherwise be under the as-is method, could help support cost effective security of supply (with respect to network costs) for GB.

Whilst not an explicit driver of the proposal, analysing and understanding the consequential impacts has been discussed as part of the workgroups. This has focused on understanding NTS pricing updates, GDN pricing impacts to pay and pass on NTS charges, Ofgem's price cap calculator and the timing impacts of all these together.

The proposal, having completed its workgroup assessment in July with a workgroup report issued to July Panel for consideration, has now been issued to consultation with representations invited by 5pm on 2nd October 2024. After this, Ofgem is expected to

conduct a Regulatory Impact Assessment, on which Stakeholders will have the opportunity to submit views on this prior to any final decision from Ofgem.

To follow UNC0903's progress and to respond to the consultation, please follow the [UNC0903](#) main page on the Joint Office website. For more information, please contact [Colin Williams](#) or [Kirsty Appleby](#).

Industry Stakeholder Engagement

NGT will continue to engage industry stakeholders using the NTSCMF, NGT led webinars (where required), relevant publications and material on our [website](#) to share charging related updates and provide the opportunity to discuss outputs. For more details, please contact [Colin Williams](#).

Security of Supply

Gas Demand Side Response

A significant amount of change has been implemented to enhance the DSR regime in recent years, with the introduction of an option and exercise scheme and direct participation by industrial consumers. Whilst market growth has been achieved year-on-year from 3 summer tenders, aggregate volumes tendered remain below what is required for DSR to fulfil its purpose at a high unit cost compared to our other balancing tools. The 2025 DSR tender is now open until 29th August 2025, and we are seeking an aggregate quantity to be offered that is capable of acceptance of 2.3 mcm (25 GWh) to warrant the continuation of the arrangements in their current form. For further information, please refer to our Gas DSR [webpage](#) or contact [Philip Hobbins](#)

Gas Quality

1% Oxygen GS(M)R Exemption

To support the growth of biomethane injection, National Gas is preparing an evidence case for submission to the Health and Safety Executive (HSE) seeking a class exemption from GS(M)R. This would allow NGT—and GDNs for parts of their networks operating above 38 barg—to convey gas with up to 1 mol% oxygen.

The exemption aims to ease technical and economic barriers for producers while ensuring gas quality remains safe and manageable. If successful, oxygen specifications for producers would be considered on a case-by-case basis, depending on whether gas could reach sensitive sites. Since our last update, we have consulted with industry on our proposed methodology for managing non-standard gas quality requests and revised it in response to feedback—particularly from sensitive downstream users. We are also working closely with GDNs to finalise the exemption report, which we plan to submit later this summer. For more information, please contact Ahmed Jama or Phil Hobbins.

Please contact [Ahmed Jama](#) or [Philip Hobbins](#) for further information.

Gas Quality Data Transparency

We are pleased to confirm a go-live date of **19th September 2025** for Phase 1 of the Gas Quality Data Transparency project. This phase will deliver near real-time and historical gas quality data measured at ‘within network’ points—such as GDN offtakes, NTS compressor stations, and multi-junctions—via the Gas Data Portal.

Ahead of launch, National Gas will provide a live demonstration of the user interface at the August UNC Gas Quality Workgroup. This will be followed later in the month by external user acceptance testing, carried out by four members of the Gas Quality Workgroup who will represent the wider group. As previously shared, we will also be engaging industry on what to prioritise next—potentially including data publication at NTS entry points and exploring gas quality forecasting.

Please contact [Ahmed Jama](#) for further information.



New Team Members

Welcome Taylor Reeves!



We are excited to welcome Taylor as part of the new Hydrogen Operability team within Markets. He has come to us from the Network Access Team within Operational Delivery and has worked at National Gas Transmission for 6 years after joining in 2019.

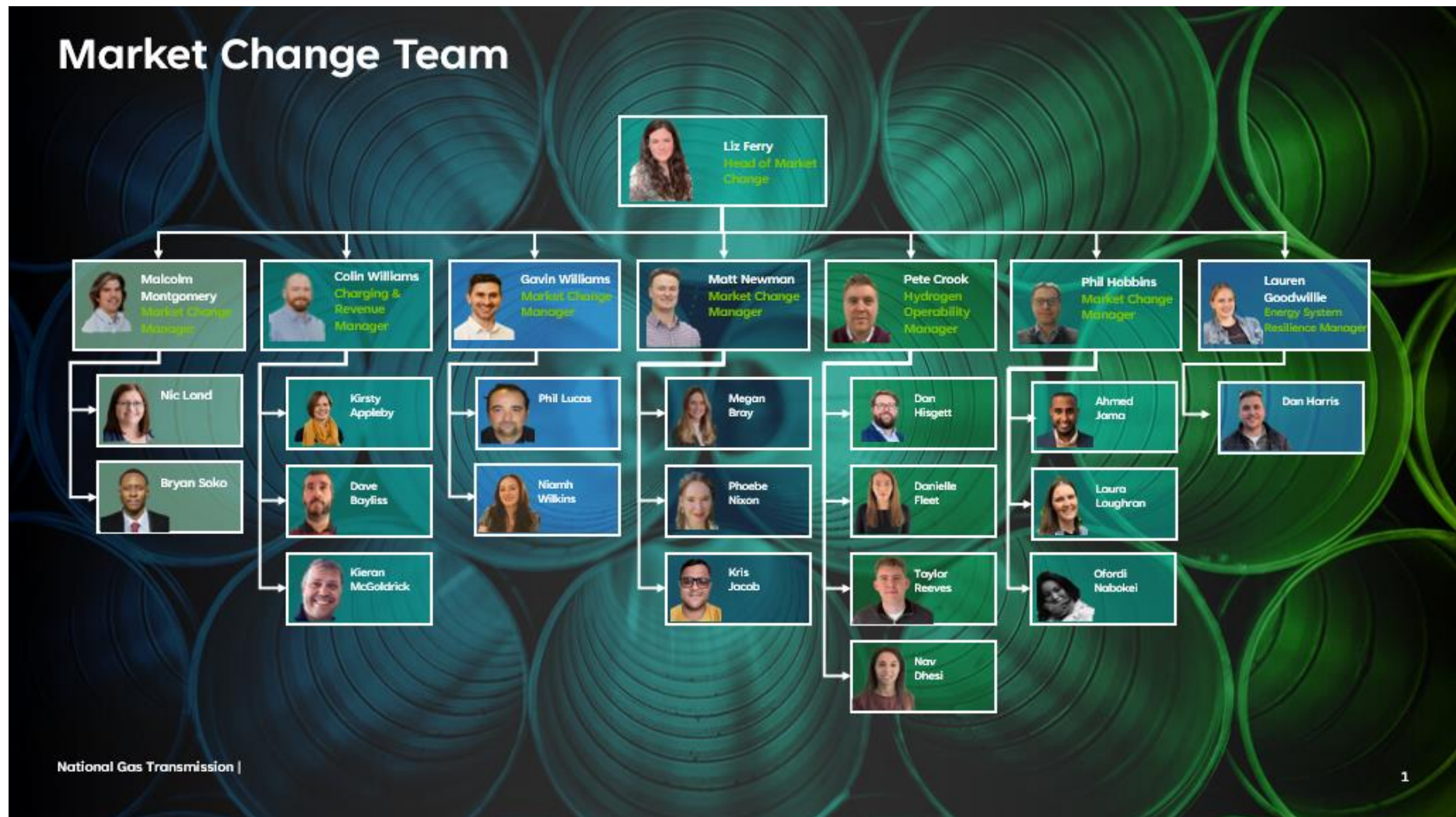
Welcome Nav Dhesi!



Nav has been with National Gas for over 18 years, beginning her career in Metering before moving into Gas System Operations. For 14 of those years, she was part of the Capacity team, where she held roles across all three sub-teams. Nav's longest role has been as Capacity Auctions Team Leader.

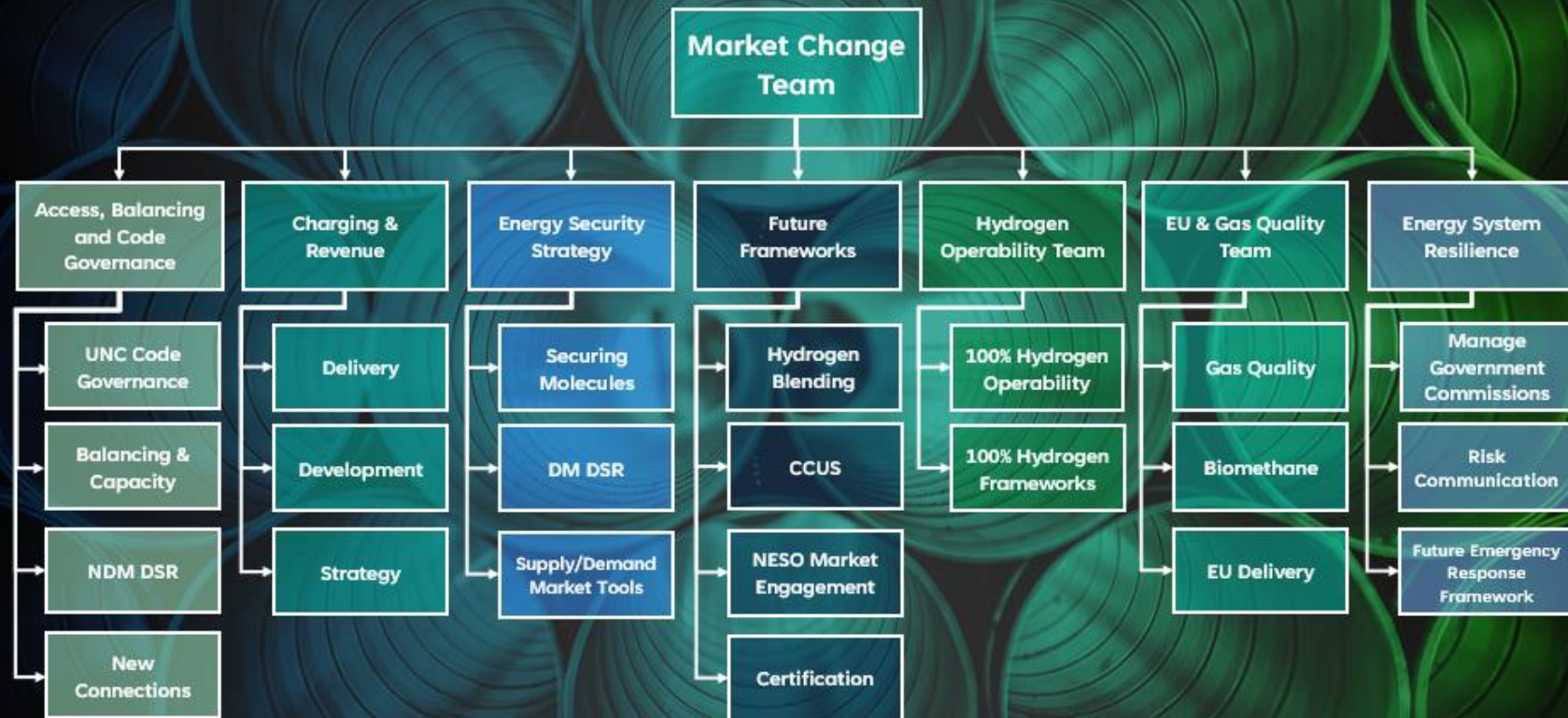
Having been part of the Hydrogen Operability team for over a month now, she's really enjoying working with the new team and the department as a whole, to ensure we can successfully demonstrate how the SO will operate a future hydrogen network.

New Team Chart



Updated Team Accountabilities

Market Change Team Responsibilities



Contact Us

We would love to hear from you! You can contact us by e-mailing:

box.gsoconsultants@nationalgas.com

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