

Christopher McCool
Networks Compliance Branch
Utility Regulator
Queens House
14 Queens Street
Belfast
BT1 6ED

28th March 2025

Consultation on the Harmonised Transmission Tariffs for Gas

Dear Christopher,

GMO Northern Ireland (GMO NI) is grateful to have the opportunity to respond to this consultation as the single gas market operator for the transmission network in Northern Ireland, a collaboration of the four Transmission System Operators (TSOs).

GMO NI support the need to comply with the Network Code on Harmonised Transmission Tariff Structures for Gas ("TAR NC"). We note that following on from the 2018 consultation updates to the methodology have now been implemented and that no further amendments to the charging methodology in NI are being proposed at this time.

Generally, GMO NI is in agreement with this approach, however two aspects which we would urge to be considered further in the near future would be seasonal factors/product multipliers, and the impact of energy transition related developments on tariff methodology.

It is clear in NI the seasonal factors and product multipliers are a key source of revenue volatility with swings at year end being mainly driven by short term products utilisation versus forecast. Recent years has shown the swing from positive to negative in the end of year revenue positions, and within the current gas year the first ever mid year tariff review has taken place, which although driven mainly by an unforeseen event, the heavy utilisation of daily capacity products during a 3-4 month window has driven a significant over recovery to set the basis for the tariff review. GMO NI would welcome a more comprehensive analysis of these parameters to explore what options are available for updating them to address revenue volatility but also consider in detail the wider interactions with the electricity sector, whilst adhering to requirements under the Tariff NC.

Secondly consideration needs to be given to transportation tariffs relevant to the energy transition. As part of policy developing, the tariffing of renewable gases can be an aid

alongside other main incentives in increasing the uptake of these gases onto and through the gas network in the near term. In addition in the medium to longer term as new gases are introduced to the NI gas network and its utilisation adapts, tariffing will play an important role in ensuring costs are recovered in a fair and cost reflective way which also negates spiralling tariffs for less utilised infrastructure, and therefore foresight and industry engagement will be required to ensure appropriate tariffing arrangements are in place which accommodate the desired effect.

Should you wish to discuss any aspect of our response please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Mark Raphael". The script is cursive and elegant, with the first letters of each word being capitalized and prominent.

Mark Raphael

General Manager