DECISION PAPER ON SEASONAL MULTIPLIER FACTORS FOR GAS TRANSMISSION

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Utility Regulator

About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE: We take ownership of our actions.

TRANSPARENT: Ensuring trust through openness and honesty.

COLLABORATIVE: Connecting and working with others for a shared purpose.

DILIGENT: Working with care and rigour.

RESPECTFUL: Treating everyone with dignity and fairness.

ABSTRACT

This paper outlines our decision following our consultation on the seasonal multiplier factors to be applied to non-annual entry capacity bookings in the postalised tariff from 1 October 2026.

Our consultation, published 30 March 2026, was required by EU Regulation 2017/460 on Harmonised Transmission Tariff Structures for Gas (“TAR NC”), as amended for EU Exit.

The responses to the consultation were supportive of no changes being made and maintaining the seasonal multipliers for Gas Year 26/27, maintaining alignment with ROI.

AUDIENCE

This document is likely to be of interest to regulated companies in the energy industry, government and other statutory bodies and consumer groups with an interest in the energy industry.

CONSUMER IMPACT

We have decided to maintain the current seasonal multiplier factors into Gas Year 2026/2027 so there would be no impact on customer tariffs.

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Acronyms and Glossary

Annex	Description
BTP	Belfast Transmission Pipeline
CRU	Commission for Regulation of Utilities, which regulates gas in the Republic of Ireland
EU	European Union
EU(W)A	European Union (Withdrawal) Act 2018
FOIA	Freedom of Information Act
GMO NI	Gas Market Operator Northern Ireland
Ofgem	Office for Gas and Electricity Markets in Great Britain, regulates gas in Great Britain
PSA	Postalised System Administrator
SEM	Single Electricity Market
SNIP	Scotland-Northern Ireland Pipeline
TAR NC	Network Code on harmonised transmission tariff structures for gas
TSO	Transmission System Operator
UR	Utility Regulator

1. Introduction

Purpose of this Paper

1.1 This decision paper follows our consultation[1] published 30 March 2026 and meets requirements within the EU Regulation on establishing a network code on harmonised transmission tariff structures for gas, known as TAR NC, which has been amended to facilitate the UK's exit from the EU. The consultation sought views on seasonal multiplier factors which are applied to the postalised tariff for non-annual entry capacity bookings.

Tariff Network Code and EU Exit

1.2 EU Regulation 2017/460, known as the Network Code on Harmonised Transmission Tariff Structures for Gas[2] ("TAR NC"), was published on 17 March 2017 with the objectives of contributing to market integration, enhancing security of supply and promoting interconnection between gas networks.

1.3 TAR NC was transposed into UK law under the European Union (Withdrawal) Act 2018[3] ("EU(W)A") and was amended in the Gas (Security of Supply and Network Codes)(Amendment)(EU Exit) Regulations 2019[4] and the Gas Tariffs Code (Amendment)(EU Exit) Regulations 2019[5] to remove inoperability's.

1.4 Throughout the rest of this document, when we refer to TAR NC, we mean the TAR NC as incorporated in UK law and amended by the Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 and Gas Tariffs Code (Amendment) (EU Exit) Regulations 2019.

Requirement for Annual Consultations

1.5 Article 28(2) of TAR NC requires us to carry out an annual consultation on the seasonal multipliers factors and to consider discounts for interruption and storage. Article 28(3) requires that we take into account the views of respondents in the following aspects:

1 https://www.uregni.gov.uk/consultations/consultation-seasonal-multiplier-factors-gas-transmission-3

2 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0460&from=EN

3 https://www.legislation.gov.uk/ukpga/2018/16/contents/enacted

4 https://www.legislation.gov.uk/uksi/2019/531/made

5 https://www.legislation.gov.uk/uksi/2019/1393/contents/made

- The balance between facilitating short-term gas trade and providing long term signals for efficient investment in the transmission system
- The impact on the transmission services revenue and its recovery
- The need to avoid cross-subsidisation between network users and to enhance cost-reflectivity of reserve prices
- Situations of physical and contractual congestion
- The impact on cross-border flows
- The impact of the seasonal factors on facilitating the economic and efficient utilisation of the infrastructure

1.6 There were four responses to the consultation, as listed below:

- Flogas
- Gas Market Operator Northern Ireland (GMO NI)
- Gas Networks Ireland (GNI (UK))
- Mutual Energy Limited (MEL)

1.7 We have considered those responses, as summarised in section 4.

1.8 In addition to considering the responses to this consultation, we are required to consider the positions of directly connected Member States countries and the other national regulatory authority. This is outlined at from paragraph 2.8.

1.9 Our decision is outlined in section 6.

1.10 We will inform the Postalised System Administrator (PSA) of the factors and discounts to be used in the potalised gas transmission tariff, which will become effective on 1 October 2026. We will also inform GMO NI that it may publish the Gas Product Multipliers and Time Factors Table at the same time.

2. Multiplier and Seasonal Factors

Background to the Factors

2.1 The TAR NC defines "multiplier" as the factor applied to the respective proportion of the reference price in order to calculate the reserve price for a non-annual standard capacity product. It further defines "seasonal factor" as the factor that reflects the variation of demand within the year which may be applied in combination with the relevant multiplier.

2.2 These factors are multiplied by the annual tariff for entry capacity to determine the tariff for a non-annual entry capacity product, for example monthly capacity or daily capacity.

2.3 Since their inception in 2015, we have followed a policy of aligning the seasonal multiplier factors with those offered in the Republic of Ireland. We consider that this alignment is beneficial to ensure there is no perverse pricing signal which affects the decisions of all-island electricity generators.

2.4 The seasonal factors have been set to incentivise suppliers to make more use of the network in the summer and shift demand away from the winter peak. They were set to provide a balance between facilitating short-term gas trade and providing long-term signals for efficient investment in the transmission system.

Current Factors

2.5 Following last year's consultation, we decided to maintain the factors for Gas Year 25/26 at the 24/25 rate.

2.6 Maintaining the seasonal multiplier factors will continues our alignment with RoI, an aspect of our consultation that received positive responses.

2.7 As such, we maintained the factors as part of our decision for gas year 25/26[6].

Consultation with Ofgem

2.8 We keep in regular contact with Ofgem to monitor any matters which affect both regions.

6 https://www.uregni.gov.uk/publications/seasonal-multiplier-decision-paper-2025-2026

Consultation with CRU and Alignment with RoI

2.9 We also keep in regular contact with CRU particularly in recognition of our policy of all-island alignment.

2.10 Our decision in 2015 to align factors was based on the commercial link between the NI and RoI Networks made by the Single Electricity Market (SEM). Although the base charges between the two networks are different, there is potential for significant difference between the daily charges due to different seasonal factors.

2.11 As part of this year's consultation, for gas year 26/27, we reached out to the CRU ahead of publication, to discuss the future of the seasonal factors. Based on these discussions, both UR and the CRU noted in the relevant publications, their intentions for an in-depth review of the seasonal factors going forward.

2.12 This is discussed further in section 5.

3. Aspects Considered

3.1 Article 28(3) of the TAR NC requires that we take into account the views of respondents in the following aspects:

- The balance between facilitating short-term gas trade and providing long term signals for efficient investment in the transmission system
- The impact on the transmission services revenue and its recovery
- The need to avoid cross-subsidisation between network users and to enhance cost-reflectivity of reserve prices
- Situations of physical and contractual congestion
- The impact on cross-border flows
- The impact of the seasonal factors on facilitating the economic and efficient utilisation of the infrastructure
- The need to improve the cost-reflectivity of reserve prices

3.2 We concluded that the elements within each of these aspects remain unchanged since last year's consultation[7] and that seasonal multiplier factors continue to provide benefits to the shippers that use them and also to those that don't.

a) The factors provide a method for users to top up their capacity bookings on a short-term basis.

b) The factors provide a price signal to incentivise users to use gas in the summer rather than winter if the user has a choice.

c) The extensive use of non-annual entry capacity products can increase total revenue, which would reduce annual capacity prices for all shippers.

Discount for Interruptible Capacity Charge

3.3 The TAR NC requires that discounts are offered in specific circumstances, particularly for interruptible capacity and for storage facilities. Article 16 specifies how to calculate the discount for an interruptible capacity charge.

7 https://www.uregni.gov.uk/files/uregni/documents/2025-05/2025-05-27%20-%20Decision%20Paper%20on%20seasonal%20multiplier%20factors%2025-26.pdf

3.4 The current postalised charges do not include an interruptible tariff, as only firm capacity is offered.

3.5 The Northern Ireland Gas Transmission Outlook[8], formerly the Northern Ireland Gas Capacity Statement, shows total annual gas demand declining slowly over the next 10 years reflecting reduced overall demand for gas power generation offsetting continued growth in the distribution sector. Further, the modelling reveals that the NI Network has the capability to cope with all but the most strenuous of demand scenarios in the next 10 years.

3.6 The Transmission System Operators (TSOs) and GMO NI have introduced some increased flexibility, through Entry Point Switching Agreement and continue to explore other options to further increase flexibility on the system.

3.7 As no interruption is forecast, we propose to continue to not include an interruptible discount.

3.8 However, we will continue to revisit this on an annual basis in the event interruptible capacity begins to be offered to provide network flexibility and to alleviate congestion.

Discount for Capacity Charge for Storage

3.9 In order to prevent the double charging of gas to and from any storage facilities, Article 9 of the TAR NC requires that a discount of at least 50% should be applied to capacity charges for storage facilities.

3.10 As there are no storage facilities in NI, we do not propose to publish a storage discount for Gas Year 2026.

3.11 We will continue to revisit this on an annual basis in the event that storage facilities begin to see use as part of Northern Ireland's gas network.

8 https://www.gmo-ni.com/assets/documents/Gas-Transmission-Outlook-GTO_2026-04-03-081414_kdnc.pdf

4. Responses

Respondents

4.1 There were four responses to the consultation:

- Flogas
- Gas Market Operator Northern Ireland (GMO NI)
- Gas Networks Ireland (GNI (UK))
- Mutual Energy Limited (MEL)

Summary of Responses

4.2 The Respondents were generally supportive of the proposal to maintain the seasonal multiplier factors for Gas year 26/27.

4.3 Each of the four responses agreed with the proposal as it ensured the seasonal multipliers remain aligned with CRU and the Republic of Ireland and continues the alignment of transmission tariff parameters across the SEM arrangements.

4.4 Flogas noted with no material change in market conditions, system usage, or demand patters, it supports the proposal to maintain current factors for gas year 26/27. Further, Flogas noted that the continued application of seasonal multiplier factors that are aligned, or appropriately coordinated, with those applied in the Republic of Ireland remains desirable.

4.5 Additionally, Flogas welcomes the forward-looking signal on future considerations for the treatment of seasonal factors and emphasised the importance of early and meaningful stakeholder engagement should alternative approaches be considered.

4.6 GMO NI noted its broad support of the proposal to maintain the existing seasonal factors for gas year 26/27, and its support for continued alignment with the factors applied in the Republic of Ireland, and the proposal to undertake a more detailed review of the seasonal factors going forward.

4.7 GMO NI also raised concerns over the seasonal factors appearing to be a key driver of revenue volatility, noting that seasonal factors may not fully align with the objectives of cost reflectivity and tariff stability. Further, GMO NI noted that evolving gas demand patterns associated with decarbonisation, may further reduce the effectiveness of existing seasonal assumptions underpinning tariff design.

4.8 GMO therefore support a comprehensive review of seasonal factors undertaken in coordination with the CRU.

4.9 GNI UK agreed with the approach of no change to the current factors, and continued alignment with the CRU.

4.10 MEL welcomed the signal of the intention to carry out a review of the seasonal multiplier factors in conjunction with the CRU and noted it would support a comprehensive analysis of the impact of moving towards a flatter seasonal factor profile. MEL also encouraged early engagement with industry to ensure predictability of any changes.

5. Future review of seasonal multipliers

5.1 Of the four responses received, three were in favour of the signal to review the seasonal factors. Further, two responses noted the importance of early engagement with relevant stakeholders as part of the review.

5.2 The CRU's Article 28 consultation indicated that they propose to maintain their seasonal factors for the coming gas year, which would align with our own.

5.3 As noted in the consultation, UR's intention going forward is to undertake a detailed review of the factors in the coming years. Both UR and the CRU will review the factors separately, while engaging in regular meetings to ensure that alignment is maintained.

5.4 We will continue to work alongside the CRU and hope to provide an update as part of the consultation for gas year 27/28.

6. Decision

6.1 We welcome the four responses to the consultation and recognise that there was general agreement from the respondents to maintain the seasonal multipliers for gas year 26/27.

6.2 After considering the responses received, we have decided to maintain the seasonal multiplier factors for gas year 26/27, as set out below.

Capacity Product Multipliers for Input to Tariff Model					
Period	Annual Entry & Exit Capacity Products	Non-Annual Entry Capacity Products			
		Quarterly	Monthly	Daily	Within Day
Oct - Sept	1.0000				
Oct - Dec		0.3843			
Jan - Mar		0.8069			
Apr - Jun		0.1327			
Jul - Sept		0.0261			
October			0.1281	0.0064	0.0064
November			0.1281	0.0064	0.0064
December			0.1708	0.0114	0.0114
January			0.2989	0.0199	0.0199
February			0.3416	0.0228	0.0228
March			0.2562	0.0171	0.0171
April			0.1281	0.0064	0.0064
May			0.0097	0.0005	0.0005
June			0.0097	0.0005	0.0005
July			0.0097	0.0005	0.0005
August			0.0097	0.0005	0.0005
September			0.0097	0.0005	0.0005

Table 1 – Gas Product Multiplier and Times Factor Table

6.3 To find the annual total of the daily and within day factors, it is necessary to multiply each daily factor by the number of days in that month.

Total Multiplier Factors	Non-Annual Entry Capacity Products			
	Quarterly	Monthly	Daily	Within Day
Current Factors	1.3500	1.5000	2.7844	2.7844

Table 2 – Totals of Current Seasonal Multiplier Factors