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Submitted by email to: Robin.Dunne@ofgem.gov.uk; Lea.Slokar@ofgem.gov.uk

Dear Robin, Lea,

Consultation on the proposed change to Existing Arrangements for Accessing Licence Baseline Exit Capacity on the National Transmission System at Bacton Interconnection Point

We welcome the opportunity to provide our views on Ofgem's mind to position on future arrangements at the Bacton Interconnection Point (IP). Overall, we're supportive of the minded to position to aggregate the BBL and IUK exit points, provided that the technical parameters at the exit point (ie MNEPOR) are updated to reflect the combined exit point. Allowing BBL shippers equal access to firm Bacton IP exit capacity will level the playing field for both interconnectors. Given the urgent need for fair competition we believe this should be implemented by Summer 2020.

Question 1: Do you have any views on the three options we are consulting on?

We support "Option 2" which proposes to aggregate Bacton (IUK) and Bacton (BBL) IP exit points. This will allow for additional firm Bacton IP capacity to be made available for BBL.



Question 2: Should we have considered any other options to better utilise the existing exit capacity?

As mentioned in our response to the call for evidence, we would have welcomed detailed analysis on alternative operational methods to provide firm Bacton IP exit capacity to BBL, without impacting IUK's firm Bacton exit capacity. For example, the dynamic capabilities of the NTS similar to Fluxys TENP firm and interruptible capacity offering. Given the NTS is becoming increasingly reliant on flexible source of gas, we believe the capabilities of the system should be analysed.

Question 3: Is our approach to assessing the costs, risks and benefits of the three options suitable? Are there any additional factors that we should build into our assessment?

Whilst we support the aggregation of the interconnectors this is provided that the technical parameters for example the MNEPOR is updated to reflect the total capability of both outflows.

Question 4: Do you have any views on the specific qualitative analysis published in our Impact Assessment?

Although we agree with the qualitative analysis provided by Ofgem that reflect as specified in our answer to question two, we would welcome further in-depth analysis on alternative operational methods to provide firm Bacton IP exit capacity to BBL without impacting IUK's firm Bacton capacity. Despite this, in our view enabling this change is simplistic and therefore should be feasible by Summer 2020.

Question 5: Are you in agreement with our preferred option and our minded to decision?

We agree that there are clear benefits for competition and cross-border trade under Option 2.

We believe that the aggregation of the IP's better meets Ofgem's policy objectives and principles relating to competitive markets between shippers and IPs, cross boarder trading, protecting the interest of end consumers and providing transparent, efficient and non-discriminatory allocation of capacity.

Question 6: Is there any other relevant information we should consider before taking forward a change?

Given the magnitude of the capacity now available at Bacton IP we would request that National Grid provides an update to the risk of interruption which in our opinion will presumably be higher at Bacton



than any other point in the network. We also request that National Grid also provides its methodology for assessing the impact of the risks they may or may not identify.

In the interest of levelling the playing field, we believe this implementation should be by the Summer 2020.

We hope the comments above prove helpful. Please do not hesitate to contact me on +44 (0)20 7756 9732 or at sinead.obeng@gazprom-mt.com if you wish to discuss any aspect of our response in further detail.

Yours sincerely,

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