

Robin Dunne / Lea Slokar Ofgem 10 South Colonnade Canary Wharf London E14 4PU

RE: Initial impact assessment and minded to position on arrangements for accessing Licence Baseline Exit Capacity at Bacton Interconnection Point

10 February, 2020

Dear Robin & Lea.

We support the proposal to introduce National Grid Gas (NGG) Obligated Exit Capacity at the BBL Exit point, which is important to support the significant recent investment by BBL shareholders to enable physical reverse flow of gas from Great Britain (GB) to the Netherlands (NL).

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

<u>We support Option 2</u> - aggregating Bacton (IUK) and Bacton (BBL) Interconnection Points at Exit into one. We believe this option will deliver the best outcome in terms of improving competition between Shippers.

We do not support Option 1 ("do nothing"). We agree with Ofgem's assessment that it would not facilitate fair and equal grid access for BBL Users, when compared to IUK Users.

We do not support Option 3 (reallocating existing baseline capacity to BBL). Implementation would likely create artificial constraints and thereby limit Shipper choice and competition.

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

No.

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?

We agree that the approach is suitable and we have nothing to add to the analysis.

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

No.

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

Yes.

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

We would welcome the implementation of Option 2 as soon as possible.