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**Statutory Consultation and Final Impact Assessment on proposed combining of two existing Bacton exit points in NGG's Gas Transporter Licence**

We refer to Statutory Consultation and Final Impact Assessment on proposed combining of two existing Bacton exit points in NGG's Gas Transporter Licence.

SNAM International B.V. is an investor in GB as a shareholder in Interconnector (INT) since 2018.

On Ofgem's proposal to aggregate Bacton (IUK) and Bacton (BBL) exit interconnection points (IPs) into a single exit point in National Grid Gas's Licence, we appreciate the intent to further facilitate cross border competition and improve market liquidity; nevertheless, we continue to believe alternative solutions are available to Ofgem and National Grid that (i) enable a capacity offering at the NTS Bacton (BBL) exit point, (ii) are legally and regulatory compliant, and (iii) do not require the degradation or reduction of the capacity offering at other existing connections to the NTS.

Indeed, INT is a single pipeline TSO, operating on an "in equals out" basis. Any changes to the technical or commercial arrangements at Bacton, would have a direct and equivalent effect on capacity at the Zeebrugge IP. Introducing competing auctions at Bacton interconnector point (IP) may lead to capacity mismatches between Bacton and Zeebrugge interconnector points, given INT IN=OUT model, with 2 auctions running simultaneously. The uncertainty on the outcome of the competing auctions would deter market players to take part in the capacity auction at both Bacton and Zeebrugge; therefore we are concerned about the deterioration of the company value in terms of degradation/reduction of capacity offering.

As investor strongly committed on the energy transition, we welcome the challenges that the energy transition brings and we are an active player in supporting the needed investments to meet net zero emission targets. Bacton is one of the largest entry and exit nodes on the NTS and benefits from access to offshore renewable energy and depleted gas reservoirs. Consequently it has great potential to deliver sustainable, carbon neutral energy projects that will promote GB consumer welfare and security of supply, whilst helping the transition to net zero. We deem that regulatory stability is an essential factor for long term infrastructure investors and it will impact investment in projects in the Bacton area.

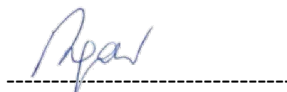
We are confident that Ofgem will take in to considerations the above and we thank you for the opportunity to respond to this statutory consultation.

Yours faithfully

For and on behalf of Snam International B.V.



Raffaele Cozza D'Onofrio  
Managing Director



Roberto Zingoni  
Managing Director