



Making a positive difference  
for energy consumers

**Rudi Streuper**

Commercial Manager

**BBL Company**

**Belinda Agnew**

Gas Connections Contract Manager

**National Grid Gas**

Email: [energy.securityofsupply@ofgem.gov.uk](mailto:energy.securityofsupply@ofgem.gov.uk)

Date: 10 June 2022

Dear Rudi & Belinda,

**Approval of the proposed Pressure Service Charging Agreement between BBL Company and National Grid Gas**

On 23 May 2022, a Pressure Service Charging Agreement ("PSCA") between BBL Company ("BBL") and National Grid Gas ("NGG") was submitted to the Authority for approval in accordance with Standard Licence Condition ("SLC") 3 of the Gas Interconnector Licence<sup>1</sup> ("the Licence") – 'Compliance with bilateral agreements'. This condition states that the licensee shall enter into such bilateral agreements as may be reasonably required by any relevant gas transporter.

This letter sets out our decision to approve the PSCA on the basis that its contents have been agreed by both parties.

---

<sup>1</sup> <https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions>

## Background

BBL is a bi-directional interconnector that connects the Netherlands' gas market with Great Britain. BBL is a certified Transmission System Operator and holder of a gas interconnector licence.

The PSCA is a new agreement stating the charging mechanism for the pressure service contained within the latest version of the Interconnection Agreement ("IA") between BBL and NGG, which was approved by the Authority on 27 April 2022.<sup>2</sup>

NGG proposed an enabling modification Uniform Network Code ("UNC") 0786S 'Amendment to the framework for the Bacton exit pressure service to interconnectors'.<sup>3</sup> This was a self-governance modification that did not modify the UNC document. This is a standard process for reviewing changes to documents that may impact upon users,<sup>4</sup> such as Network Entry Agreements and IAs. UNC 0786S provides the governance to amend the IA to allow NGG to provide a revised and consistent pressure service to interconnectors off-taking gas at Bacton.

A consultation was held on UNC 0786S between 17 December 2021 and 21 January 2022. Two responses were received, from BBL and NGG, and both were in support of the proposal. On 24 January 2022, the Final Modification Report ("FMR") for UNC 0786S was submitted to the Panel for review. The UNC modification panel voted unanimously to implement UNC 0786S on 17 February 2022.

The PSCA has been drafted to detail the charging mechanism for the pressure service described within the FMR for UNC 0786S.

## Authority Decision

SLC 3.1 requires that bilateral agreements, and any amendments to these agreements, must be submitted to the Authority for approval. We have received a request to approve the PSCA and confirmation from both parties that all components have been agreed.

After careful consideration of the PSCA submitted to Ofgem on 23 May 2022, having regard to the Authority's principal objective and statutory duties, the Authority has decided to approve the PSCA in accordance with the provisions of SLC 3 of the Licence on the basis that its contents have been agreed by both parties.

---

<sup>2</sup> <https://www.ofgem.gov.uk/publications/decision-proposed-interconnection-agreement-between-bbl-company-and-national-grid-gas>

<sup>3</sup> <https://www.gasgovernance.co.uk/0786>

<sup>4</sup> User is defined under the UNC as a person engaged in shipping on the National Transmission System (NTS)

If you have any questions relating to this decision, please contact Helen Seaton at [energy.securityofsupply@ofgem.gov.uk](mailto:energy.securityofsupply@ofgem.gov.uk).

**Dr Adrian Richardson**

**Head of Energy Security of Supply, ESMS**

**Signed on behalf of the Authority and authorised for that purpose**