



Making a positive difference
for energy consumers

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Date: 24 March 2023

Dear Rudi & Belinda,

Approval of the proposed Interconnection Agreement and Pressure Service Charging Agreement between BBL Company V.O.F. and National Gas Transmission

On 16 March 2023, an Interconnection Agreement ("IA") and Pressure Service Charging Agreement ("PSCA") between BBL Company V.O.F. ("BBL") and National Gas Transmission ("NGT") was submitted to the Authority for approval in accordance with Standard Licence Condition ("SLC") 3 of the Gas Interconnector Licence¹ ("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. NGT also confirmed agreement to this text.

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

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

Background

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

BBL first entered into the IA with NGT on 21 April 2009. The IA relates to the connection between BBL and NGT's National Transmission System at Bacton interconnection point. The PSCA is an amended agreement stating the charging mechanism for the pressure service contained within the IA.

On the 22 July 2022, NGT proposed Uniform Network Code ("UNC") 814 'Temporary access to the Enhanced Pressure Service and increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector'.² UNC814 is an enabling modification which provides the governance to amend the IA between NGT and BBL to temporarily provide an enhanced pressure service for BBL at the Bacton Exit Interconnection Point, permitting BBL to request enhanced pressures between 55 bar and 68 bar when exporting gas at Bacton Interconnection Point and to increase its Maximum Network Exit Point Offtake Rate ("MNEPOR") to 252,000,000 kWh/d. The increased pressure service is temporary, applying up to and including Gas Day 30 September 2023. UNC814 does not modify the UNC document.

Ofgem granted urgent status for UNC814 on 25 July 2022³ and set out an urgent timetable to be followed for this modification, which included a 5-working day consultation period. A consultation was held between 26 July 2022 and 01 August 2022. On 02 August 2022, the Final Modification Report ("FMR") for UNC814 was submitted to the Panel for review. The Panel voted 9 in favour out of 14 (with 5 members abstaining) to implement UNC814 on 03 August 2022.

Following receipt of the FMR on 03 August 2022, Ofgem sought to gather further relevant information from key stakeholders, including the Proposer. This process involved multiple bi-lateral meetings as well as data submissions from key stakeholders. The final data submission in this process was received on 10 January 2023. On 6 March 2023, Ofgem approved UNC814.⁴

Amendments have been made to the IA to add terms of the pressure service that were described within the FMR for UNC814. The PSCA has been drafted to detail the charging

² <https://www.gasgovernance.co.uk/0814>

³ <https://www.ofgem.gov.uk/publications/decision-urgency-uniform-network-code-modification-proposal-unc0814>

⁴ <https://www.ofgem.gov.uk/publications/unc814-temporary-access-enhanced-pressure-service-and-increase-maximum-nts-exit-point-offtake-rate-bbl-interconnector-decision>

mechanism for the pressure service described within the FMR for UNC814. Amendments are made to time limit the increased pressure service up to and including Gas Day 30 September 2023.

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 amended IA and the PSCA, as well as confirmation from both parties that all components have been agreed.

After careful consideration of the IA and the PSCA submitted to Ofgem on 16 March 2023, having regard to the Authority's principal objective and statutory duties, the Authority has decided to approve the IA and 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.

If you have any questions relating to this decision, please contact Jonathan Balls at 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