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for energy consumers

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Date: 13 March 2025

Dear Kirsten & Natalie,

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

On 04 March 2025, an Interconnection Agreement ("IA") and Pressure Service Charges Agreement ("PSCA") between BBL Company V.O.F. ("BBLC") and National Gas ("NG") was submitted to the Authority<sup>1</sup> for approval in accordance with Standard Licence Condition ("SLC") 3 of the Gas Interconnector Licence<sup>2</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 and any such agreements must be provided by the licensee to the Authority for its approval. NG also confirmed agreement to the proposed amendments to the IA and PSCA.

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<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> [Licences and licence conditions | Ofgem](#)

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

## Background

BBLC is the operator of the bi-directional Balgzand to Bacton Line ("BBL") that connects the Netherlands gas market with Great Britain at the Bacton interconnection point (hereafter, "Bacton"). BBLC is a certified Transmission System Operator<sup>3</sup> and holder of a gas interconnector licence.

BBLC first entered into the IA with NG on 21 April 2009. The IA relates to the connection between BBL and the National Transmission System ("NTS") at Bacton. BBLC entered into a PSCA with NG on 17 June 2022 which includes details of the charging mechanism for the pressure service contained within the IA.

Interconnector Limited ("INT") interconnector also connects to the NTS at Bacton and INT has an IA and PSCA with NG for the connection between the INT pipeline and the NTS at Bacton. The PSCAs that BBLC and INT have with NG, include charging methodologies that divide the cost of NG providing a pressure service at Bacton between BBLC and INT for each Gas Day, depending on the pressure services provided to each party.

On 06 August 2024, NG proposed Uniform Network Code ("UNC") 0891 'Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (reintroduced by UNC0859 and introduced by UNC0814)' (hereafter "UNC0891"). UNC0891 is an enabling modification which provides the governance to amend the IA between NG and BBLC to temporarily provide an enhanced pressure service for BBLC at Bacton. This would permit BBLC to temporarily request enhanced pressures between 55 bar and 68 bar when exporting gas at Bacton 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 31 December 2025. UNC0891 does not modify the UNC document.

On 19 September 2024, the Final Modification Report ("FMR") for UNC0891 was approved by the Panel for implementation. On 19 February 2025, Ofgem approved UNC0891.<sup>4</sup>

On 04 March 2025, BBLC submitted a revised IA and PSCA to Ofgem for approval. Amendments have been made to the IA to add terms of the pressure service that were described within the FMR for UNC0891. The PSCA has been drafted to allow for the

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<sup>3</sup> <https://www.ofgem.gov.uk/publications/certification-decision-bbl-company-vof-2023>

<sup>4</sup> [Decision to approve Uniform Network Code UNC0891 | Ofgem](#)

enhanced pressure service described within the FMR for UNC0891. The amendments made limit access to the increased pressure service up to and including Gas Day 31 December 2025.

The revised PSCA submitted by BBLC mirrors a revised PSCA between INT and NG which was submitted to the Authority on 04 March 2025 and approved alongside this decision on 13 March 2025.

## **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 04 March 2025, 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. These are commercial terms between two market participants, and we have not identified any change in terms that would be detrimental to the market or to consumers.

If you have any questions relating to this decision, please contact:

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

**Helen Seaton**

**Head of Gas Security and Flexibility, ESMS**

Signed on behalf of the Authority and authorised for that purpose