

Kirsten Koolmees

Manager Regulatory Affairs

BBL Company V.O.F.

P.O Box 225

9700 AE Groningen

The Netherlands

Email: energy.securityofsupply@ofgem.gov.uk

Date: 01 September 2025

Dear Ms Koolmees,

Authority's decision on the Access Rules and charging methodology proposed by BBL Company V.O.F. including direction of approval pursuant to Standard Licence Conditions 10 and 11A of the Gas Interconnector Licence.

BBL Company V.O.F. ("BBLC", "Licensee") sent its final version of Access Rules (also known as General Terms and Conditions) and charging methodology on 13 June 2025 to the Authority¹ for approval. These were submitted pursuant to Standard Licence Conditions ("SLC") 10 and 11A of the Gas Interconnector Licence ("the Licence").²

The decision letter and attached directions set out our decisions to:

- Approve BBLC's proposed Access Rules changes under SLC 11A on the basis that they meet the relevant Access Rules objectives (Annex 1);³ and
- Approve BBLC's proposed charging methodology changes under SLC 10 on the basis that they meet the relevant charging methodology objectives (Annex 2).⁴

BBLC's Proposal

¹ 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.

² The current version of the Gas Interconnector Licence can be found here <https://www.ofgem.gov.uk/licences-and-licence-conditions>.

³ The "relevant Access Rules objectives" are set out in SLC 11A(5) of the Licence.

⁴ The "relevant charging methodology objectives" are set out in SLC 10(4) of the Licence.

The changes proposed by BBLC are modifications to its Access Rules and charging methodology, which it submitted to Ofgem on 13 June 2025, and copies of these documents are available on BBLC's website.⁵ BBLC also provided a Conclusions Report to Ofgem on 13 June 2025. The proposed changes to the Access Rules are:

- **Clarification of contract period** – wording is clarified to include reference to shorter term capacity products.
- **Adjustment to contract termination reasons** – The addition of text clarifying that non-compliance with conditions of the Implicit Allocation platform is a valid reason to terminate a BBL Shipper's status.
- **Extension of planned maintenance window** – the extension of the time period for potential maintenance from April 1st to December 1st, rather than the current April 1st to October 1st.
- **Clarification of reimbursement circumstances** – Clarification of the situations in which shippers are eligible for reimbursement.
- **Changes to the Force Majeure requirements** – The increase in percentage of length of contract to be eligible for cancellation, for contracts of 1 year or less, under Force Majeure circumstances.
- **Electronic invoicing system** – the introduction of a new invoicing method for shippers.
- **Termination clause** – the introduction of a termination clause including a 12-month notification period, in the event that BBLC is in a position where it is no longer financially viable to remain operational.
- **Additional minor amendments to the GT&C document** – drafting changes to the General Terms and Conditions document ("GT&C").

The proposed changes to the Exhibits are:

In Exhibits A, B, G, H, I and J, some further clarificatory changes and language corrections have been incorporated.

The proposed changes to the charging methodology are:

- **Changes to multipliers adjustment** – The addition of the possibility for BBLC to adjust the level of daily tariffs within the multiplier range in time in the case of a Balance of the Month product.

⁵ [BBL Company consultation on its General Terms and Conditions and Charging Methodology 2025 | BBL Company](#).

- **Clarification of reimbursement conditions** – Further clarification of the calculation for reimbursement to BBL Shippers in the instance whereby a Conditional Firm product is interrupted.
- **Clarification of tariff adjustment** - Clarification of the specific cut-off time for the possibility to adjust tariffs for Day-Ahead products before auction.
- **Specification of auction premium use** – The addition of a clause specifying the intended use of the auction premium.

As a result of a recent Dutch court decision to uphold BBLC's appeal against the introduction of a new Inter-TSO Compensation ("ITC") charge by the Netherlands Authority for Consumers and Markets ("ACM")⁶, previously proposed text referencing the charge has been removed. The court decision occurred after the consultation period therefore BBLC re-submitted documents to the Authority with the removal of language referencing the ITC.

BBLC's Industry Consultation

The proposed changes were subject to a public consultation which took place from 02 April 2025 to 30 April 2025, as required by SLC 10 (11)(a) and SLC 11A (6)(a) of the Licence. The consultation responses were sent to Ofgem by BBLC on 13 June 2025. Three BBLC shippers provided responses, the specifics of which we consider in the 'Ofgem's view' section of this document.

Ofgem's View

SLC 10 (4) and SLC 11A (5) of the Licence requires the Access Rules and charging methodology to be objective, transparent, non-discriminatory, and compliant with EC 715/2009 ("Gas Regulation") which continues to apply⁷ as Assimilated Law⁸ and any relevant decision of the European Commission and/or the Agency (collectively the "relevant Access Rule objectives" and "relevant charging methodology objectives"). Commission Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas⁹ ("TAR") and Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanism in gas transmission systems¹⁰ ("CAM") also continue to apply as Assimilated Law.

⁶ [Dutch Court Annuls ACM Decision on Inter-TSO Compensation for BBL Company | BBL Company](#).

⁷ EC 715/2009 as amended by Electricity and Gas (Powers to Make Subordinate Legislation) (Amendment) (EU Exit) Regulations 2018 SI no. 1286.

⁸ [Retained EU Law \(Revocation and Reform\) Act 2023](#).

⁹ As amended by Schedule 5 of UKSI 2019/531.

¹⁰ As amended by Schedule 4 of UKSI 2019/531.

The changes put forward for Ofgem's consideration are as follows:

Clarification of contract period

BBLC is introducing additional wording in the "contract period" definition to specify timings for within day capacity products. The Start Date of within day capacity products will be any hour after 06:00 hours LET and the End Date any hour before 06:00 hours.

It is our view that this change provides greater clarity to shippers on within day capacity contract periods. This change is transparent, objective and non-discriminatory.

Adjustment to contract termination reasons

BBLC has introduced text clarifying that non-compliance with the material obligations of the Implicit Allocation Platform is considered a valid reason to terminate a BBL Shipper's status. The previous article only specified non-compliance with material obligations under the General Terms and Conditions of PRISMA. BBLC therefore views this as necessary correction to ensure all auction systems are included.

It is Ofgem's view that this introduction ensures consistency of the General Terms and Conditions across auction platforms. The new language is clear and transparent. There are no concerns on objectivity or non-discrimination.

Extension of planned maintenance window

BBLC has proposed extending the eligibility period for Reduced Delivery Days from April 1st to December 1st rather than the current April 1st to October 1st time period. The number of potential Reduced Delivery Days in the time period remains at 15 days. BBLC explained that this extension of the eligibility period better reflects changing market dynamics as gas remains in Reverse Flow for longer in the year. BBLC seeks to have its maintenance conducted in shoulder month periods to reduce disruption in periods of typically higher demand. In addition, BBLC states that this extension will better align with National Gas Transmission's ("NGT") intended extension of its maintenance window to 1st December.

Ofgem is of the view that this change should be approved. Flows to GB have tended to start later in winter in recent years and alignment with NGT could reduce cross-border issues therefore meeting the objectivity criteria. This change is also transparently communicated and is viewed as non-discriminatory.

Clarification of reimbursement circumstances

BBLC has provided clarification on the situations in which shippers are eligible for reimbursement for an interruption of a Conditional Firm product. The new text now clearly specifies the scenarios in which shippers will not be entitled to a decrease in the capacity charge in cases of restriction in Transmission Capacity caused by planned maintenance, quality and/or pressure deviations, and a Neighbouring Network Operator ("NNO"). In all other circumstances, shippers are eligible for a reduction with a clear specification provided on how this reduction is calculated.

It is Ofgem's view that this change should be approved as it provides greater clarity in instances of disruption on whether they will be eligible for a reduction in a capacity charge and therefore increases transparency and predictability. This is also viewed as objective and non-discriminatory to shippers.

Changes to the Force Majeure requirements

BBLC has proposed to amend the conditions under which a party is entitled to terminate the Agreement on the grounds of Force Majeure. The first change is to clarify that quarterly and monthly products are covered in this article as well as the previously stated yearly product. The second change is to extend the percentage of the time period of the given contract that a Force Majeure situation must last before the Party who did not claim Force Majeure shall be entitled to terminate the Agreement. The percentage is increasing from 25 percent to 50 percent for the aforementioned products with a Contract Period of 365 days or fewer. BBLC states that this change is being introduced to better reflect new geopolitical challenges and other risks faced by BBLC and BBL Shippers. It also cited a second driver in a shift to increasingly shorter-term booking contracts. For multi-year products, the percentage remains at 25 percent.

One BBL Shipper raised a concern that this proposed change to Force Majeure would push greater risk onto BBL shippers and there was insufficient justification for increasing the period of Force Majeure from 25 percent to percent of the contractual period.

Ofgem accepts this proposed change as an objective proposal to better reflect geo-political risks to gas pipelines. This change also provides greater stability and predictability in the market and for GB consumers. Force Majeure situations are outside the control of either party and therefore there the risk of such situations are shared equally by both BBLC and BBL Shippers. This change is therefore not viewed as discriminatory and is transparent in its scope and applicability.

Electronic invoicing system

BBLC has proposed text explaining the introduction of a new invoicing system for shippers through an electronic data communication system to improve customer service and data

security. Shippers will be informed on the introduction of this system, and all future invoices will be sent digitally to shippers via this system.

One BBL Shipper raised a question asking BBLC to provide specifics on this new electronic data communication system. BBLC provided a response detailing the role of this system in the digital transfer of invoices and the potential future expansion to more shipper related information.

It is the view of Ofgem that this change is transparently communicated to shippers with an objective aim of improving customer service and data security. The measure is also not viewed as discriminatory to any party.

Termination clause

BBLC is proposing the introduction of a new termination clause which sets out the manner in which, should the situation arise, BBLC would cease operation of its commercial activities. The new clause asserts the right of BBLC to terminate the Agreement with shippers at its sole discretion and without judicial intervention after having notified Ofgem beforehand of its decision and reasons for such a decision. Furthermore, this new clause states that this would take effect in the event that the business and/or market conditions deteriorate to the extent that BBLC will no longer be deemed economically viable to operate the BBL facilities. BBLC will provide at least 12 months' notice to shippers before closure. BBLC states that, as a merchant operator, it maintains the right to cease operation in the event that it is no longer viable to maintain the business but will consult with Ofgem ahead of any decision to allow for sufficient planning and preparedness. As BBL shippers are only invoiced upon enactment of its capacity booking. BBL shippers will be released from the requirement to pay for any bookings after the termination period.

All three BBL Shippers raised issues with the proposed new clause. All three shippers stated concern that this new clause would enable BBLC to shut down arbitrarily with no reciprocal ability of shippers to terminate contracts. One shipper stated that Force Majeure was sufficient to cover this situation. Another shipper raised concern about whether compensation would be in place for shippers.

On 19 August 2025, Ofgem issued a Direction under paragraph 13 of SLC 11A of the Licence, proposing an amendment to the termination clause to better align with the relevant Access Rules objectives. The amendment revised the proposed termination clause to replace the reference to BBLC's ability to terminate the Agreement where it is no longer able to operate the BBL Facilities 'profitably' with a more objective test of 'economic viability'. This amendment was introduced to ensure the terms of the termination clause

more neutral and objective in justification for termination. BBLC subsequently agreed to the proposed amendment on 20 August 2025.

Ofgem is of the view to approve the inclusion of the proposed clause with the directed amendment. The new clause provides clarity on the manner in which BBLC would wind up its operations in the event of it no longer being economically viable to continue operation, which provides the Authority and the Government with greater clarity and a significant time period to prepare any potential action. As a merchant operator, BBLC is subject to market conditions and therefore maintains the objective right to cease operations if it is no longer financially viable. In addition, BBL shippers will not be required to pay for any bookings that do not take place and therefore compensation would not be required for these bookings. Shippers will have at least 12 months' notice to adjust their business plans which is judged to be a reasonable timeframe. Ofgem is not of the view that this new clause curtails any regulatory powers of the Authority and that this new clause provides greater clarity and transparency. Furthermore, there is no viewed discrimination involved in the proposed clause with all BBL shippers subject to the same rules with no Party unfairly disadvantaged should this clause ever be enacted.

Additional minor amendments to the GT&C document

BBLC has proposed various minor clarificatory changes to the GT&C document. These include minor changes to update and improve current wording, correct spelling, and minor amendments to the definitions of "TTF" and "EURIBOR".

It is Ofgem's view that these changes provide improved clarity to the GT&C document and ensure that the document remains accurate for users.

Exhibit Clarifications

BBLC has introduced minor clarifications in Exhibits A, B, G, H, I and J as well as incorporating several language corrections. These clarifications include the beneficiary office address, implementation guideline references, and the practical operation of the 'Weekend product'.

One shipper raised a concern about language in Exhibit H on eligibility for reprofiling capacity which was not amended in this year's submission. BBLC provided clarity to the shipper on their eligibility and informed Ofgem that the issue has been subsequently resolved with the shipper.

Ofgem is of the view that the proposed clarificatory changes are minor with no substantial impact on the GT&Cs and therefore views the changes as transparent, objective and non-discriminatory.

Changes to multipliers adjustment

BBLC have introduced new text which would enable the adjustment of the level of daily tariffs within a multiplier range in real time in the instance of a Balance of the Month product. The intent of this change is to permit greater flexibility to BBLC to reflect market dynamics as they involve within the month.

Ofgem's view is to approve the proposed amendment on the basis that it has been transparently communicated to shippers, it is supported by an objective intent to better reflect market dynamics, and that the measure is non-discriminatory to any particular party.

Clarification of reimbursement conditions

BBLC has proposed further clarification of the calculation for reimbursement to BBL Shippers in the instance whereby a Conditional Firm product is interrupted. The new clarification specifies that the reimbursement will be calculated on the basis of the difference between a shipper's Nomination and the corresponding allocations, with use of the average hourly price of the Agreement.

Ofgem approves of this proposed change as it is a clarificatory measure which improves transparency and predictability for shippers. This clarification has an objective purpose and is not considered discriminatory to either Party.

Clarification of tariff adjustment

BBLC have clarified the specific cut-off time for adjustment of tariffs for Day-Ahead products before they are auctioned. The new language specifies 15:00 LET as the cut-off time the day before for adjustment of the reserve prices, replacing "six hours".

Ofgem views this change as having a clarificatory objective and improving transparency for shippers on the cut-off point for tariff changes. This change is not considered discriminatory to shippers.

Specification of auction premium use

BBLC has introduced a clause specifying the intended use of the auction premium. The new clause states that the auction premium will form part of BBLC's revenue stream without earmarking for specific use. This was introduced for accounting purposes arising from the periodic consultation required under Article 26 of TAR NC held by BBLC in 2024.¹¹ This new

¹¹ [Periodic consultation Article 26 NC TAR | BBL Company](#).

text was agreed with Ofgem at the time as being necessary for inclusion in the BBLC Access Rules and charging methodology 2025 submission.

One shipper raised a query about the intended use of the auction premium revenue stream.

Ofgem is of the view to approve the proposed additional clause as it aligns with Ofgem guidance arising from the periodic consultation required by Article 26 of TAR NC in 2024. The proposed new language is sufficient in outlining the use of the auction premium as a general revenue stream without earmarking for a specific purpose. This new text was required after Ofgem consultation and therefore meets objectivity criteria. It is not considered discriminatory to any Party.

ITC

In its initial submission to Ofgem, BBLC included provision in its charging methodology for the inclusion of a variable fee to cover any ITC imposed on BBLC. This proposed inclusion raised concern from all three shippers. However, on 15 July 2025, the Dutch Trade and Industry Appeal Tribunal ("CBb") upheld BBLC's appeal of ACM's decision to impose the ITC on BBLC on the grounds that ACM did not have the required legal authority. On 22 July 2025, BBLC re-submitted its Conclusions Report and the charging methodology document with reference to the ITC removed. As no new text has been introduced and the changes being a simple striking of reference to the ITC, Ofgem does not consider the matter to require additional consultation.

The Authority's decision

The Authority considers the proposed changes to Access Rules and charging methodology referred to above to be objective, transparent, non-discriminatory, and compliant with Assimilated Law. We expect BBLC to keep its Access Rules and charging methodology under review.

Directions issued in accordance with SLC 10 (14) and SLC 11A (14) of the Licence to this effect can be found in Annex 1 and Annex 2.

Publication

In accordance with SLC 10 (15) and SLC 11A (15) of the Licence, BBLC is required to publish (at least on its website) the approved charging methodology statement and Access Rules 28 days prior to them coming into effect (the Publication Period), unless the Authority directs otherwise.

If you have any questions relating to the decision, please contact
energy.securityofsupply@ofgem.gov.uk.

Yours sincerely

Dr Adrian Richardson

Deputy Director, Energy Markets and Security, ESMS

Signed on behalf of the Authority and authorised for that purpose

ANNEX 1 - Ofgem Direction

Direction issued to BBL Company pursuant to Standard Licence Condition 11A (Approval of terms for access to the Licensee's interconnector) paragraph 14 of its Gas Interconnector Licence

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority") pursuant to Standard Licence Condition 11A ("SLC 11A") paragraph 14 of the Gas Interconnector Licence ("the Licence") granted or treated as granted under section 7ZA of the Gas Act 1986 ("the Act") to BBL Company ("BBLC" or "the Licensee").
2. SLC 11A paragraph 9 requires the Licensee to review its Access Rules at least once each calendar year and make such modifications to the Access Rules as may be needed for the purpose of ensuring that the Access Rules better achieve the relevant Access Rules objectives.
3. SLC 11A paragraph 5 require that the Access Rules be transparent, objective, non-discriminatory, and compliant with the Regulation (EC) 715/2009, which continues to apply as Assimilated law (on conditions for access to the national gas transmission networks) and any relevant decision of the European Commission and/or the Agency (collectively the "relevant Access Rules objectives").
4. Having regard to the relevant Access Rules objectives set out in SLC 11A paragraph 5, the Authority considers that BBLC's proposed Access Rules meet the relevant Access Rules objectives.
5. SLC 11A paragraph 11 requires the Licensee to take all reasonable steps to ensure that all persons, including those in any other relevant neighbouring State who shares the interconnection with the United Kingdom and who may have a direct interest in the Access Rules, are consulted and allow them a period of not less than 28 days within which to make written representations. The Licensee must also furnish the Authority with a report setting out the terms originally proposed in the Access Rules, the representations, if any, made by interested persons and any change in the terms of the Access Rules intended as a consequence of such representations.
6. In accordance with SLC 11A paragraph 9, on 13 June 2025 the Licensee submitted its Access Rules to the Authority for approval.
7. The Authority hereby directs, pursuant to SLC 11A paragraph 14, that the Licensee's proposed Access Rules are approved.

8. Pursuant to SLC 11A paragraph 15, the Authority directs that the Access Rules be published 28 days prior to coming into effect.

9. This Direction shall remain in effect until the Authority revokes or varies the Direction in writing upon reasonable notice.

10. This Direction constitutes notice of the Authority's reasons for the decision pursuant to section 38A of the Act.

Dated: 01 September 2025

Dr Adrian Richardson

Deputy Director, Energy Markets and Security, ESMS

Signed on behalf of the Authority

ANNEX 2 - Ofgem Direction

Direction issued to BBL Company pursuant to Standard Licence Conditions 10 (Approval of charging methodology to the Licensee's interconnector) paragraph 14 of its Gas Interconnector Licence

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority") pursuant to Standard Licence Condition 10 ("SLC 10") paragraph 14 of the Gas Interconnector Licence ("the Licence") granted or treated as granted under section 7ZA of the Gas Act 1986 ("the Act") to BBL Company ("BBLC" or "the Licensee").
2. SLC 10 paragraph 9 requires the Licensee to review its charging methodology at least once each calendar year and make such modifications to the charging methodology as may be needed for the purpose of ensuring that the charging methodology better achieve the relevant charging methodology objectives.
3. SLC 10 paragraph 4 requires that the charging methodology be objective, transparent, non-discriminatory, and compliant with the Regulation (EC) 715/2009, which continues to apply as Assimilated law (on conditions for access to the national gas transmission networks) and any relevant decision of the European Commission and/or the Agency (collectively the "relevant charging methodology objectives").
4. Having regard to the relevant charging methodology objectives set out in SLC 10 paragraph 4, the Authority considers that BBLC's proposed charging methodology meet the relevant charging methodology objectives.
5. SLC 10 paragraph 11 requires the Licensee to take all reasonable steps to ensure that all persons, including those in any other relevant neighbouring State who shares the interconnection with the United Kingdom and who may have a direct interest in the charging methodology, are consulted and allow them a period of not less than 28 days within which to make written representations. The Licensee must also furnish the Authority with a report setting out the terms originally proposed in the charging methodology, the representations, if any, made by interested persons and any change in the terms of the charging methodology intended as a consequence of such representations.
6. In accordance with SLC 10 paragraph 9 on 30 May 2024 the Licensee submitted its charging methodology to the Authority for approval.
7. The Authority hereby directs, pursuant to SLC 10 paragraph 14, that the Licensee's proposed charging methodology is approved.

8. Pursuant to SLC 10 paragraph 15, the Authority directs that the charging methodology be published 28 days prior to coming into effect.

9. This Direction shall remain in effect until the Authority revokes or varies the Direction in writing upon reasonable notice.

10. This Direction constitutes notice of the Authority's reasons for the decision pursuant to section 38A of the Act.

Dated: 01 September 2025

Dr Adrian Richardson

Deputy Director, Energy Markets and Security, ESMS

Signed on behalf of the Authority