



Making a positive difference
for energy consumers

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Date: 29th June 2026

Dear Mr De Ranter,

Authority's decision on the proposed updates to the Interconnector Access Rules (Issue 11) and Charging Methodology proposed by Interconnector Limited including direction of approval pursuant to Standard Licence Conditions 10 and 11A of the Gas Interconnector Licence.

Interconnector Limited ("INT", "the Licensee") sent a proposed change to its Access Rules and Charging Methodology on 30 March 2026 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 INT's proposed Access Rules changes under SLC 11A on the basis that they meet the relevant Access Rules objectives (Annex 1);³ and

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 at [Licences and licence conditions | Ofgem](#)

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

- Approve INT’s proposed charging methodology changes under SLC 10 on the basis that they meet the relevant charging methodology objectives (Annex 2).⁴

INT’s proposal

The changes proposed by INT are modifications to its Access Rules and Charging Methodology, which it submitted to Ofgem on 30 March 2026. Draft revised documents and the market consultation can be found on INT’s website⁵. INT also provided a Submission Report to Ofgem on 30 March 2026.

The proposed changes to the Access Rules are:

- **Prepayment Option** – INT has introduced the possibility for Shippers to pay their estimated Monthly Charges upfront (e.g. shortly after the moment of booking, and ahead of utilisation). This can be for a portion, or all, of their Registered Capacity.
- **Capacity Reprofile Period** – INT has removed the requirement that only Annual Capacity Products are eligible to be used towards a Reprofiling Service.
- **Own Use Gas (“OUG”)** – OUG is natural gas used by Interconnector to operate the pipeline system, rather than that delivered to shippers. INT has finetuned the drafting of the OUG process to allow Shippers to trade with INT “at the flange”. This removes the requirement for Shippers to purchase new INT capacity to provide an OUG bid/offer, simplifying the process for both Shippers and INT. INT has also removed the OUG bid/offer templates from this section as these are obsolete.
- **Formatting of Defined Terms within the Interconnector Access Agreement (“IAA”) and the Interconnector Access Code (“IAC”)**– INT will not make any amendments to the format of the definitions as it considers the current format supports the flow and readability of the documents.
- **Existing IAA and IAC regulatory queries that have been addressed in the drafting process of this revision** – INT also addressed a number of existing queries on the IAA and the IAC that remained open or under discussion with the Belgian Federal Commission for Electricity and Gas Regulation (CREG) following their decision on Issue 10 of the Access Rules. Some of these regulatory queries resulted in updates, whereas some resulted in no updates but required further explanation by INT. All outstanding points listed in CREG (B) 2738 decision dated 25 April 2024⁶ regarding Issue 10 of the Access Rules, as well as subsequent points from further

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

⁵ <https://www.fluxys.com/en/natural-gas-and-biomethane/empowering-you/customer-interactions/consultations-in-the-uk/2026---annual-review-of-the-interconnector-access-rules-and-charging-methodology>

⁶ CREG decision reference ‘Beslissing (B)2738’ regarding Interconnector Ltd Access Rules and Charging Methodology Issue 10 published on 25 April 2024 - <https://www.creg.be/nl/publicaties/beslissing-b2738>

discussions and working documents shared on these points, are considered by CREG and INT as addressed in this latest draft Issue 11 of the Access Rules, as agreed in the bilateral meeting between CREG and INT on 5 February 2026. The draft amendments to address these points were included in the stakeholder consultation documentation. This is with the exception of CREG queries regarding liability regimes, which CREG and INT have agreed to leave open until wider EU-level discussions on the topic progress and reach a conclusion.

The proposed changes to the Charging Methodology are:

- **Removal of the Lowest Price Guarantee for new bookings** – INT revised its current approach that a Capacity Transaction for a set of 5 or more successive Firm Annual Capacity Products attracts a “lowest price guarantee”. Moving forwards, this will only be offered if INT has expressly stated such a guarantee is available via the Interconnector Charging Statement. Any existing lowest price guarantees will continue to be honoured.
- **Reduction in Capacity Publication lead time for Day Ahead Capacity** – INT has amended the capacity publication lead time for a Day Ahead Capacity Product from 6 hours to 1 hour prior to the commencement of the offer, either via PRISMA or through INT’s Implicit Allocation Mechanism.

Industry Consultation

The proposed changes were subject to a public consultation, as required by SLC 10 (11)(a) and SLC 11A (6)(a) of the Licence. The consultation responses were sent to Ofgem by INT on 30 March 2026. Two INT 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

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](#).

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.

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

Access Rules

Prepayment Option

INT has introduced the possibility for Shippers to pay their estimated Monthly Charges upfront (e.g. shortly after the moment of booking, and ahead of utilisation). This can be for a portion, or all, of their Registered Capacity.

It is our view that this amendment could reduce barriers to entry and facilitate medium to longer-term capacity bookings, particularly for smaller Shippers, by removing the requirement to provide credit support towards INT. It will also improve cashflow certainty for INT by minimising credit risk. We also note that one consultation respondent's support for the amendments to the IAC more broadly.

We recognise that this service is optional and the existing payment terms remain the default mechanism and, as such, we consider this amendment to be objective and non-discriminatory. Given that there are clear, objective criteria for the calculation of the prepayment amount, we consider this amendment to be transparent.

Capacity Reprofile Period

Interconnector's reprofiling service is a commercial flexibility offering for gas Shippers that lets them shift (or reprofile) booked capacity from one time period to another. In response to market feedback, INT has removed the requirement that only Annual Capacity Products are eligible to be used towards this service. This opens up the possibility for shorter-term reprofiling opportunities.

It is our view that this amendment is transparent, non-discriminatory, and objective, as it remains compliant with the CAM NC – given that Shippers will continue to only procure capacity via the auctions on PRISMA or via INT's Implicit Allocation Mechanism, both of which operate in line with the CAM NC and are transparent, non-discriminatory and objective allocation methods.

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

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

INT will continue to publish the details of any Reprofitting Service including the Reprofitting Fee, if any, in its Charging Statement; this remains available on the INT website and applies to all Shippers, therefore the Reprofitting Service remains non-discriminatory and transparent. We also note support from one consultation respondent who indicated agreement with the underlying rationale for the change.

Own Use Gas ("OUG")

Own Use Gas is the gas that INT use to operate the physical pipeline (e.g. for running the compressors or for maintenance), rather than that delivered to Shippers. Following the roll out of INT's new OUG process earlier this year, INT has amended the drafting to allow Shippers to trade with INT "at the flange". This removes the requirement for Shippers to purchase new INT capacity to provide an OUG bid, simplifying the process for both Shippers and INT. INT has also removed the OUG bid templates from this section as these are obsolete.

It is Ofgem's view that this change simplifies OUG arrangements, making the process more transparent. Additionally, removing the requirement to purchase capacity removes the possibility of misinterpretation of volumes and costs, ensuring that all Shippers are using the same information; as such, we consider this change to be non-discriminatory and objective.

Formatting of Defined Terms within the IAA and the IAC

In addition to the proposals outlined above, INT also asked Shippers if they had any feedback on whether the current layout of the defined terms in the IAA and the IAC was sufficiently clear. No feedback was received and therefore INT will not make any amendments to the format of the definitions as it considers the current format supports the flow and readability of the documents.

This is a purely editorial consideration and, as the current format is clear and readable, it is our view that this decision supports transparency.

Existing IAA and IAC regulatory queries that have been addressed in the drafting process of this revision

Following CREG's decision on Issue 10 of the Access Rules, a number of queries remained under discussion between INT and CREG. All outstanding points listed in that decision

(dated 25 April 2024), are considered by CREG and INT as addressed in this latest draft Issue 11 of the Access Rules – as agreed between CREG and INT on 5 February 2026.

We consider that resolution of historic queries between CREG and INT improves legal clarity and therefore supports transparency.

There was one exception – CREG queries regarding liability regimes. It has been agreed between CREG and INT that these queries will be left open until wider EU-level discussions on the topic progress and reach a conclusion. We acknowledge the rationale underpinning this delay and consider that this demonstrates intention to achieve regulatory alignment with CREG, and ultimately supports transparency.

Charging Methodology

Removal of the Lowest Price Guarantee for new bookings

INT revised its current approach that a Capacity Transaction for a set of 5 or more successive Firm Annual Capacity Products attracts a “lowest price guarantee”. Moving forwards, this will only be offered if INT has expressly stated such a guarantee is available via the Interconnector Charging Statement. Any existing lowest price guarantees will continue to be honoured.

We note the feedback from one consultation respondent who indicated that they do not support this change, citing concerns that the presence of the price guarantee helps incentivise long term bookings.

However, we also acknowledge INT’s response to the respondent’s feedback, which notes that the inclusion of a lowest-price guarantee is discretionary and not a regulatory requirement, and reiterates INT’s commitment to encouraging longer-term capacity bookings. In line with this, we recognise that the aforementioned Prepayment Option proposal could facilitate medium to longer-term capacity bookings, particularly for smaller Shippers.

We also recognise that this change is objective and transparent – it is intended to be accompanied by publication of clear rules outlining the conditions under which a long-term price guarantee will exist in the INT Charging Statement – and non-discriminatory – as Shippers will all have access to the same information via the INT Charging Statement.

We approve this change but will monitor the publication of rules in the INT Charging Statement.

Reduction in Capacity Publication lead time for Day Ahead Capacity

INT has amended the capacity publication lead time for a Day Ahead Capacity Product from 6 hours to 1 hour prior to the commencement of the offer, either via PRISMA or through INT's Implicit Allocation Mechanism.

It is our view that this amendment would potentially allow better responsiveness to real-time system conditions, allowing INT to structure its product offering in a way that aligns with short-term trading dynamics.

We note the feedback from one consultation respondent, who highlighted that the reduced lead time translates into an increased risk on their side and the lead time reduces their ability to perform an analytical review ahead of the auction. However, we acknowledge that INT has responded to this feedback, noting that it is essential that INT can operate "on a level playing field with BBL Company, who have received regulatory approval for, and subsequently apply, comparable arrangements"¹¹. Ultimately, we consider that gas Shippers operate in the wholesale market, and we recognise the need to ensure that the physical Gas Interconnector asset is viable and able to operate.

Finally, given that the proposal remains transparent (as all Shippers have access to the INT Charging Statement where capacity charges are published), and non-discriminatory (as these charges apply to all INT Shippers), we approve this amendment. However, we note that this is based on the provision that information is disseminated rapidly and equally to all Shippers, and we will monitor this going forward.

The Authority's Decision

¹¹ [BBL Complant Access Rules and Charging Methodology decision.pdf](#)

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 INT 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, INT 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 this decision, please contact:

energy.securityofsupply@ofgem.gov.uk

Yours sincerely,

Hamsini Satchithanathan

**Head of Gas Security and Flexibility,
Energy Systems Management and Security**

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

ANNEX 1 - Ofgem Direction

Direction issued to Interconnector Limited 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 Interconnector Limited ("INT" 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 Regulation 715/2009/EC, which continues to apply as Assimilated Law (on conditions for access to the national gas transmission networks) and any relevant legally binding 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 INT'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, any change in the terms of the Access Rules intended as a consequence of such representations, how the intended modification better achieves the relevant Access Rules objectives and a timetable for implementation of the modification and the date with effect from which the modification (if made) is to take effect.
6. In accordance with SLC 11A paragraph 9, on 30 March 2026, 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: 29th June 2026

Hamsini Satchithanathan

**Head of Gas Security and Flexibility,
Energy Systems Management and Security**

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

ANNEX 2 - Ofgem Direction

Direction issued to Interconnector Limited 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 Interconnector Limited ("INT" 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 INT'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 March 2026 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: 29th June 2026

Hamsini Satchithanathan

**Head of Gas Security and Flexibility,
Energy Systems Management and Security**

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