Rudi Streuper
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Email: energy.securityofsupply@ofgem.gov.uk

Date: 4th September 2026

Dear Mr Streuper,

Authority's decision on the proposed modifications to 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 5 June 2026 to the Authority[1] 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:

[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.

- Approve BBLC's proposed Access Rules changes – with the exception of the proposed changes to Exhibit G – under SLC 11A on the basis that they – with the exception of the proposed amendments to Exhibit G – meet the relevant Access Rules objectives (Annex 1);[3] and
- Approve BBLC's proposed charging methodology changes under SLC 10 – conditional on BBLC BBLC meeting our monitoring, engagement, reporting, and regular review requirements – on the basis that they meet the relevant charging methodology objectives (Annex 2).[4]

BBLC's Proposal

The changes proposed by BBLC are modifications to its Access Rules and charging methodology, which it submitted to Ofgem on 5 June 2026. BBLC also provided a Conclusions Report to Ofgem on 5 June 2026.

The proposed changes to the Access Rules are:

- **Deletion of the definition of "Capacity Restriction"** – this no longer has any further relationship in the text of the Access Rules.
- **Deletion of the definition of "Conditional Firm Reverse Flow" and other references throughout the GT&C** – this is a minor housekeeping edit that relates to a more substantial change (detailed in Proposed modifications to Exhibit G – see below).

The proposed changes to the Exhibits are:

- **Minor clarifications** – some minor clarifications and language corrections have been proposed to Exhibits A, B, and J.
- **The implementation of a new capacity model** – changes to Exhibit G propose the implementation of a new capacity model, which would involve firm reverse flow capacity being offered all year, and conditional forward-flow capacity throughout the year.
- **Increasing flexibility under the Reprofiling Service** – proposed changes to Exhibit H involve increasing flexibility under the Reprofiling Service, by allowing, holders of certain forward-flow contracts signed before 1 November 2015 to move Q4 capacity into Q1 of the following gas year.

The proposed changes to the charging methodology are:

[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.

- **A further clarification of how to arrive at the variable fee for shippers** – this provides greater clarity on how charges are calculated.
- **Proposal to use a 7-day average electricity price instead of a single daily price** – this was intended to smooth out daily volatility in compressor electricity costs; however, following consultation, BBLC is not proceeding with this change.
- **Proposal to shorten the notification for both CAM and IAM Day ahead products from 15:00 LET to 15:30 LET** – a small operational timing change.
- **Proposal to increase reserve prices for short-duration IAM products with only one hour's notice rather than one day's notice** – BBLC states that this change will allow them to respond more quickly to changes in market conditions.
- **Proposal to shorten the notification period for reserve price decreases for all Implicit Allocation products from 1 day to 1 hour** – BBLC states that this will make pricing more flexible.

BBLC's Industry Consultation

The proposed changes were subject to a public consultation which took place from 8 April 2026 to 6 May 2026, 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 5 June 2026. 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 apply[5] as Assimilated Law[6] 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 gas[7] ("TAR") and Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanism in gas transmission systems[8] ("CAM") also continue to apply as Assimilated Law.

The changes put forward for Ofgem's consideration are set out below.

[5] EC 715/2009 as amended by Electricity and Gas (Powers to Make Subordinate Legislation) (Amendment) (EU Exit) Regulations 2018 SI no. 1286.
[6] Retained EU Law (Revocation and Reform) Act 2023.
[7] As amended by Schedule 5 of UKSI 2019/531.
[8] As amended by Schedule 4 of UKSI 2019/531.

The following changes have been proposed to the Access Rules.

Deletion of the definition of "Capacity Restriction"

BBLC is proposing to remove the definition of "Capacity Restriction" because it is no longer used anywhere else in the contract. This is a housekeeping change, that improves transparency and keeping Access Rules up to date, and so we approve the proposal.

Deletion of the definition of "Conditional Firm Reverse Flow" and other references throughout the GT&C

This is a housekeeping edit that relates to a more substantial change (detailed in Proposed modifications to Exhibit G – see below). The change reflects BBLC's wider proposal to make reverse flow (Great Britain (GB) to Netherlands) capacity firm all year round – the substance of this change is set out later in this document (see: *Proposed modifications to Exhibit G (CAM NC and CMP implementation*). Given that we do not approve the proposed modification to Exhibit G, it follows that this change cannot be made, and we do not approve this amendment.

The following amendments have been proposed to the Exhibits.

Exhibit A:

Further clarification on how confirmation messages are sent has been added

This amendment provides additional clarification on how booking and operational confirmation messages are transmitted to shippers. It does not introduce any substantive changes to existing arrangements or obligations. This amendment improves transparency for network users, and we approve the proposal.

Clarification of the prevail rule and matching procedures

This amendment incorporates further clarification regarding the application of the Prevail Rule and the matching procedure at the Bacton Interconnection Point. The proposed change is to more clearly explain the process when gas nominations from each side of the interconnector do not match and which information takes priority if there is a discrepancy. Ofgem considers this clarification can reduce operational misunderstandings and improve transparency on BBLC's TSO role at Bacton; we therefore approve the amendment.

Alignment of Article 4.5 with the GT&C

This amendment updates Article 4.5 to align its drafting with the corresponding provisions in the main General Terms and Conditions document. The change does not alter the substantive effect of the provision but improves consistency between the contractual documents, thereby enhancing clarity for users. We consider that this can improve transparency and are content to approve.

Reference to the ENTSOG Transparency Platform
This amendment specifies that measured gas quantities will be published through the ENTSOG Transparency Platform. By explicitly identifying the source of publication, the amendment provides greater clarity on where market participants can access operational data and therefore improves transparency.

Exhibit B:

Parent Company Guarantee Signing Process
This amendment revises the Parent Company Guarantee signing procedure. Under the revised arrangements, only the guarantor will be required to sign the guarantee. The amendment simplifies the administrative process without affecting the underlying credit support arrangements. In our view, this amendment represents an administrative simplification and does not raise concerns regarding discrimination or market access; we approve the proposal.

Exhibit G:

Deletion of Article A14 and adjustment of Article A15
These proposed changes relate to the implementation of a new capacity model, which would involve firm reverse-flow capacity being offered all year, and conditional forward-flow capacity throughout the year – with the latter only becoming firm when BBLC makes a decision that market conditions justify switching the pipeline direction.

BBLC outline the rationale for this proposal as follows: in recent years, shipper demand is almost exclusively focused on gas flows from GB to the Netherlands (NL)—i.e. reverse-flow, and there has been less market interest in forward-flow bookings from NL to GB. As a result, BBLC’s future earning potential is potentially increasingly dependent on reverse-flow capacity and prevailing market dynamics.

Ofgem recognises that BBLC has faced a significant shift in demand patterns in recent years. While we acknowledge BBLC’s commercial reasoning, we consider that the change represents a significant risk to GB’s continued security of supply, and do not approve the amendment. During winter months, under certain cold weather scenarios, GB relies upon being able to import gas through our gas interconnectors.

BBLC confirmed that, where NBP exceeds TTF and GB is short of gas, BBLC would expect to switch to forward-flow and provide firm forward-flow capacity. However, we note that this is based on a discretionary decision by BBLC, and GB's security of supply cannot depend on a discretionary commercial decision. Further, BBLC have advised that changing flow direction requires physical intervention and switching typically takes around 24 hours on the operational side alone but may take longer when factoring in decision time. A delayed response during a period of supply stress could reduce GB's ability to access imports when most needed. Lastly, BBLC have stated that Conditional Firm Forward Flow capacity becomes firm when gas demand exceeds a specific threshold. Currently, from exchange with BBLC, we do not have certainty that this threshold figure will be low enough to be met under normal or even supply stress conditions, given it is ultimately at BBLC's discretion, and the change could require at least 24 hours or more to be implemented. We believe that this proposed amendment could therefore compromise GB security of supply.

Because of the reasons set out above, we therefore reject this amendment. However, we remain open to further discussions on this matter, provided that any future proposed amendments do not compromise GB security of supply.

A further guidance is introduced in case BBLC is not able to publish the thresholds on its website.
This amendment introduces a backup procedure explaining what BBLC will do if it cannot publish relevant market thresholds in relation to Conditional Firm Reverse Flow product on its website. Given that we do not approve the proposed modification to Exhibit G, it follows that this change cannot be made, and we do not approve this amendment.

Exhibit H:

Increasing flexibility under the Reprofiling Service
BBLC proposes to increase flexibility under its Reprofiling Service by allowing, for forward flow contracts concluded before 1st November 2015, the inclusion of Q4 capacity for reprofiling towards Q1 of the following gas years. These changes are intended to provide shippers with additional flexibility while maintaining a clear and transparent framework.

We agree that this provides greater flexibility for holders of older contracts by allowing shippers to shift unneeded capacity from October-December into the following January–March, when gas demand is often higher. This is a voluntary process and no adverse impacts have been raised. We further note that shipper feedback was broadly supportive and note BBLC's confirmation that forward-flow capacity may only be reprofiled into forward-flow products. We therefore approve this amendment.

Exhibit J (Implicit Allocation Guidance Document):

Further clarification to explain that IAM related information applicable to shippers is provided via PRISMA
This proposed amendment makes it clearer that shippers should obtain IAM information from the PRISMA capacity booking platform. We consider that this supports transparency and approve this amendment.

The following amendments have been proposed to the charging methodology.

A further clarification of how to arrive at the variable fee for shippers
A change is proposed to explicitly account for unaccounted-for-gas based on measurement deviations and gas leakage. BBLC is making clear that the variable charge can include the cost of gas that cannot be fully accounted for because of measurement differences, meter tolerances, or small leaks. Ofgem considers this clarification appropriate and supportive of transparency and approves the amendment.

Expanding the EPEX electricity spot price from a daily figure to a 7-day average figure
BBLC proposed using a 7-day average electricity price instead of a single daily price. The aim of this proposal was to smooth out daily volatility in compressor electricity costs. However, following consultation responses, BBLC decided not to proceed with this change. Ofgem therefore makes no determination on this modification.

Proposal to shorten the notification period for both CAM as well as IAM Day ahead products from 15:00 LET to 15:30 LET
This represents an operational timing change, which would give BBLC an extra 30 minutes before it has to publish information relating to day-ahead products. Ofgem is satisfied that the revised timing does not raise concerns regarding access to the market or discriminatory treatment and approves this amendment.

Proposal to shorten the notification period for increases of the reserve price for Implicit Allocation products with a duration of equal or less than a month from 1 day to 1 hour
The ability to increase reserve prices for short-duration IAM products with only one hour's notice rather than one day's notice would allow BBLC to react more quickly to market conditions. BBLC has explained that shorter notification periods are intended to better reflect market conditions and align with commercial practices applied elsewhere. We note stakeholder concern regarding tariff predictability. We also note that BBLC operates as a merchant operator, in competition with other sources of flexible gas, and must remain competitive in the market. We therefore approve this amendment, but request that BBLC

monitors the implementation of these changes, retains evidence regarding market impacts, and reports on these impacts to us.

BBLC proposes to shorten the notification period for reserve price decreases for all Implicit Allocation products from 1 day to 1 hour

The same principle outlined above applies to price reductions. BBLC is proposing lowering reserve prices with only one hour's notice. This makes pricing more flexible but gives shippers less advance warning. While we accept BBLC's rationale for increased commercial flexibility, it recognises stakeholder concerns regarding predictability and market confidence. We therefore approve the amendment but expect BBLC to review the operation of these provisions and engage with shippers should material concerns emerge.

The Authority's decision

Having considered all consultation responses and the evidence provided by BBLC, Ofgem concludes that the proposed modifications, with the exception of the amendments to Exhibit G, the final two amendments to the charging methodology, and the withdrawn EPEX electricity pricing proposal, are consistent with the objectives applicable to BBLC's Access Rules and charging methodology.

Accordingly, we approve all proposed modifications, except for the proposed amendments to Exhibit G, and the withdrawn EPEX electricity pricing proposal, and note that approval of the final two amendments to the charging methodology is conditional on BBLC meeting our monitoring and regular review requirements.

We therefore direct BBLC not to enact the proposed amendments to Exhibit G and to meet our monitoring and review requirements as regards the final two amendments to the charging methodology. We expect BBLC to continue 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 – with the exception of the amendments to Exhibit G – 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 5 June 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 – with the exception of the amendments to Exhibit G – are approved.

8. Pursuant to SLC 11A paragraph 15, the Authority directs that the amended 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: 4th September 2026

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, except for the final two amendments which are subject to the conditions set out above.

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 5 June 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, subject to BBLC meeting the conditions set out above in relation to the final two amendments.

8. Pursuant to SLC 10 paragraph 15, the Authority directs that the amended 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: 04 September 2026

Dr Adrian Richardson
Deputy Director, Energy Markets and Security, ESMS
Signed on behalf of the Authority