

GAS INTERCONNECTOR LICENCE
STANDARD LICENCE CONDITION 12
AMENDED EXEMPTION

Pursuant to:

- A. paragraph 2 of standard licence condition 12 of the gas interconnector licence granted to BBL Company¹ under section 7ZA of the Gas Act 1986 (as amended from time to time), such licence authorising BBL Company to participate in the operation of the Balgzand Bacton Line between Juliandorp near Balgzand in the Netherlands and Bacton in the United Kingdom,
- and
- B. paragraph D3 of the exemption order issued to BBL Company by the Gas and Electricity Markets Authority on 8 April 2005,

the Gas and Electricity Markets Authority hereby issues to BBL Company an amended exemption providing that standard licence conditions 10 and 11 of BBL Company's licence are suspended from operation, subject to the attached amended schedule.



Steve Smith

Authorised in that behalf by the

Gas and Electricity Markets Authority

9 August 2005

¹ Registered in the Netherlands No 02085020; Registered Office: PO Box 225, 9700 AE Groningen, the Netherlands.

SCHEDULE

PERIOD, CONDITIONS, AND REVOCATION OF EXEMPTION

A. Interpretation and Definitions

In this exemption:

| | |
|-------------------------|---|
| “physical forward flow” | means the physical flow of the facility in the direction from Juliandorp near Balgzand in the Netherlands to Bacton in the United Kingdom of the Balgzand Bacton Line |
| “the Authority” | means the Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000, as amended from time to time |
| “the facility” | means the Balgzand Bacton Line, a gas interconnector between Juliandorp near Balgzand in the Netherlands and Bacton in the United Kingdom |
| “the licensee” | means the BBL Company, authorised by licence to participate in the operation of the Balgzand Bacton Line |

B. Full description of the interconnector to which this exemption relates

This exemption relates to the Balgzand Bacton Line, a gas interconnector between Juliandorp near Balgzand in the Netherlands and Bacton in the United Kingdom, with respect to the physical forward flow capacity of the facility.

C. Period

Subject to section E below, and pursuant to sub-paragraph (a) of paragraph 4 of standard licence condition 12, this exemption will cease to have effect from:

- (a) 2 December 2016 with respect to approximately 1.15 mcm/hour capacity of physical forward flow of the facility; and

- (b) 2 December 2022 in respect of approximately 0.6 mcm/hour capacity of physical forward flow of the facility.

D. Conditions

Pursuant to sub-paragraph 4(b) of standard licence condition 12, this exemption is made subject to the following conditions:

1. That the material provided by the licensee to the Authority in respect of this exemption is accurate in all material respects.
2. Should any of the grounds for revocation arise under section E of this exemption, the Authority may amend this exemption rather than revoke the exemption.
3. The Authority may amend this exemption where the Authority has been requested to amend the decision to grant this exemption by the European Commission (such request being made in accordance with Article 22(4) of Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003).
4. This exemption is transferable where the Authority has given its written consent to such a transfer. For the avoidance of doubt, all of the conditions contained in this exemption order continue unaffected in respect of any person to whom this exemption order may be transferred.

E. Revocation

Pursuant to paragraph 5 of standard licence condition 12, this exemption may be revoked in the following circumstances:

1. The Authority may revoke this exemption where the European Commission has requested (in accordance with Article 22(4) of Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003) that the Authority withdraw the decision to grant this exemption.
2. The Authority may revoke this exemption where the European Commission has requested (in accordance with Article 22(4) of Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003) the Authority amend the decision to grant this exemption and the licensee does not agree (under paragraph D3 above)

for this exemption to be amended in the manner so requested by the European Commission.

3. This exemption may be revoked by the Authority by giving a notice of revocation to the licensee not less than four months before the coming into force of the revocation in any of the following circumstances:

(a) where:

- i. in the Authority's reasonable opinion there is a material change in the degree to which the requirements of sub-paragraphs 6(a), (c), (d) or (e) of standard licence condition 12 are met with respect to the facility as the result of an action or omission of the licensee;
- ii. the licensee has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986 and/or an administrative receiver within the meaning of Article 215 literate 2 of the Bankruptcy Act of the Netherlands, as amended from time to time) of the whole or any material part of its assets or undertaking appointed;
- iii. the licensee has an administration order under section 8 of the Insolvency Act 1986 and/or an administration order under Article 218 literate 2 of the Bankruptcy Act of the Netherlands, as amended from time to time, made in relation to it;
- iv. the licensee is found to be in breach of any national or European competition laws, such breach relating to the licensee's interconnector;
or
- v. there is merger or acquisition activity in relation to, or by the licensee, that is detrimental to competition.