

10 September 2008  
Winter Outlook seminar

**Hans Boersma,**  
**General Manager BBL Company**



bbl.companu

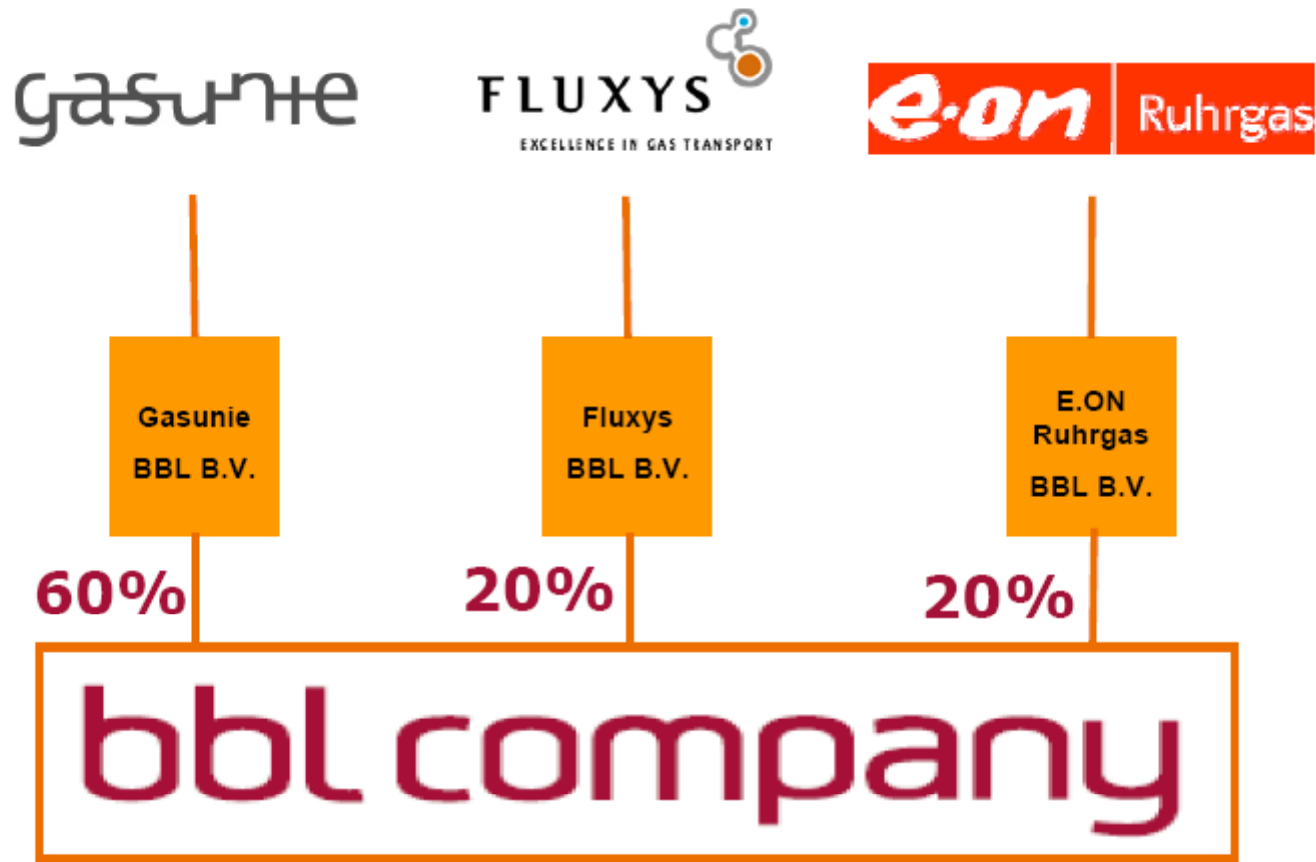
## Subjects

- Introduction of BBL Company as a transport company
- Utilization of the BBL
- Repair of the damaged compressor at Anna Paulowna
- BBL expansion
- Gas Regional Initiative North West
- Services available (forward and interruptible reverse; long term/short term)
- Conclusions
- Questions and answers



BBL Company as a transport company

## BBL stakeholders



bbl company

BBL Company as a transport company

## Balgzand-Bacton pipeline (BBL)

bbl company

Pipeline between the Netherlands and the UK  
Commercial operation commenced December 1<sup>st</sup> 2006  
Capacity = 1.74 MCM/hour ~ 15 BCM/year



gasunie

e-on Ruhrgas

FLUXYS  
EXCELLENCE IN GAS TRANSPORT

bbl company

BBL Company as a transport company

## BBL Commercial basis

### ▪ 3 LONG TERM TRANSMISSION AGREEMENTS



(signed 26 February 2004)



(signed 6 May 2004)



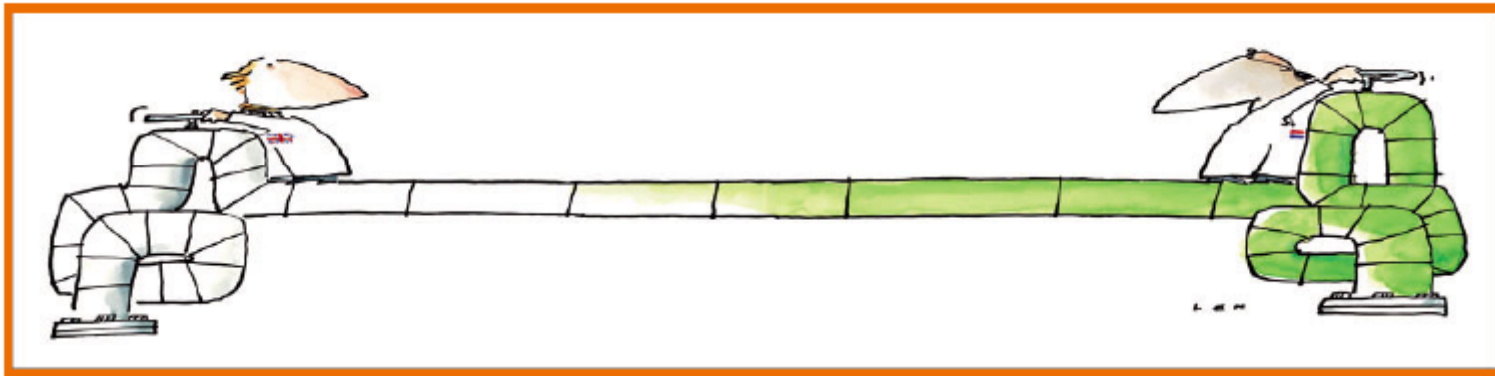
(signed 20 February 2004)

- GasTerra transport commenced December 1<sup>st</sup>, 2006
- From March 2007 until November 2007 free capacity partly sold

bbl company

BBL Company as a transport company

## Contractual framework with NNO's and shippers in the BBL



### **NGG**

Interconnection Agreement

### **BBL**

Transmission Agreements

### **GTS**

Grid Connection Agreement

BBL Company as a transport company

## Contractual framework for operation and maintenance

### OSLA:

Service Level Agreement with N.V. Nederlandse Gasunie

- CS Anna Paulowna (the Netherlands)
- on/offshore pipeline
- corporate services

### OMSA:

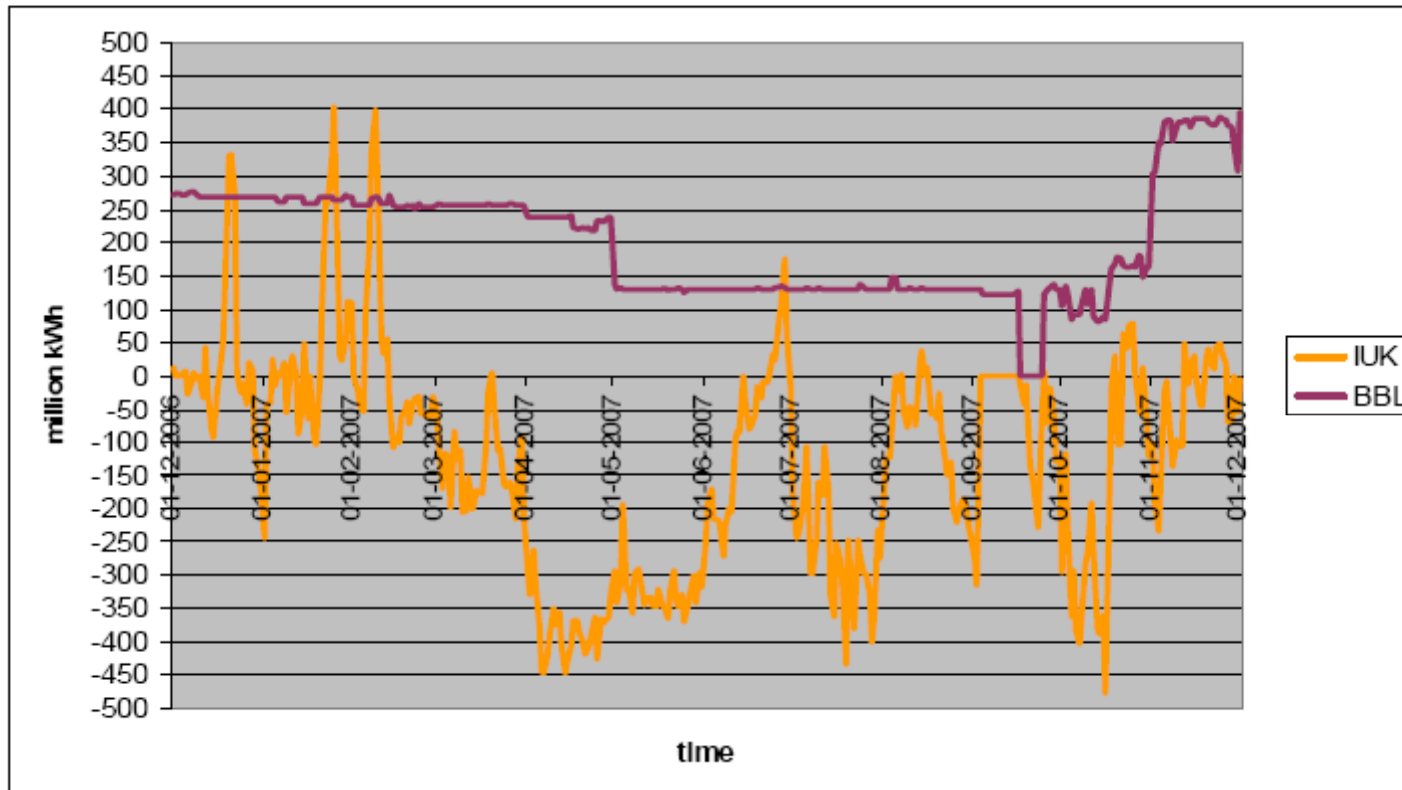
Operation and Maintenance Services Agreement with Shell UK Limited.

- Receiving facilities at Bacton (UK)



Utilization of the BBL

## Daily deliveries (1/12/2006 - 1/12/2007)

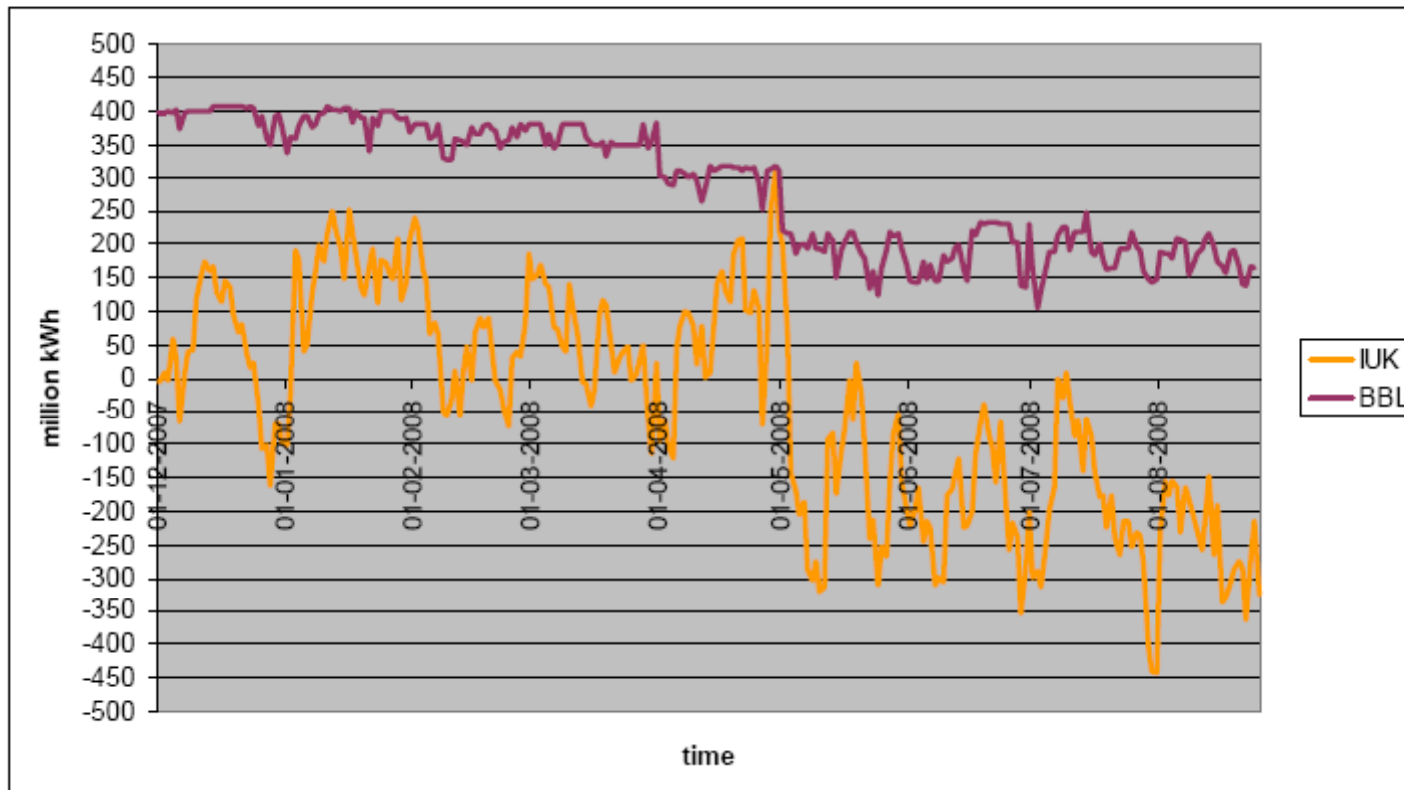


> 0 is UK import; < 0 is UK export



Utilization of the BBL

## Daily deliveries (1/12/2007 - 25/08/2008)



> 0 is UK import; < 0 is UK export



Damaged compressor at Anna Paulowna

## The incident

- **Incident on 3 February 2008**
  - Motor and compressor actively braked to stop. Inspection showed a severely damaged emergency bearing and bearing support.
  
- **Consequences for commercial obligations**
  - As from February 3rd the BBL is running without spare capacity
  - No immediate effect on the gas flow but:.....
  - More vulnerable to occasional trips of the other compressor units
  - Less possibilities for regular maintenance
  
- **Estimated normal repair time 2 years**
  
- **Immediate Actions**
  - Temporary 24/7 manned station
  - Checks and orbit measurements on the other units
  - Close cooperation with manufacturer, Gasunie, NAM and BBL Company
  - Exchange of long delivery parts and spare parts of BBL Company
  - Installation of extra test facility with manufacturer



bbl company



## BBL expansion

### Main points

- Q2 2007 BBL Company launched an open season
- Enough interest for expansion with a 4<sup>th</sup> compressor at Anna Paulowna
- January 2008 Booking Agreements were concluded
- July 2008 FID by GTS to make available corresponding exit capacity at Julianadorp
- Incremental annual capacity: 3 BCM/year
- Expansion capacity available as from 1 December 2010
- Not all capacity was sold during the open season
- Remaining (firm forward) capacity is available on a first come first served basis with yearly, monthly and daily contracts
- Regulatory approval obtained for tariff methodology for expansion capacity



# BBL expansion

Site view



bbl company

## Transmission Transparency Project

- BBL Company supports the outcome of the project so far and will publish on its website:
  - **Capacity information:**
    - (C1) maximum capacity
    - (C2) level of interruption probability
    - (C3) daily commercial firm and interruptible capacity
  - **Flow information:**
    - (F1) daily flow and interruptions
    - (F2) daily prompt allocation information to each shipper
    - (F3) Daily aggregate day-ahead nominations (next release)
    - (F4) historic gas flow information database



Services available

## Services available

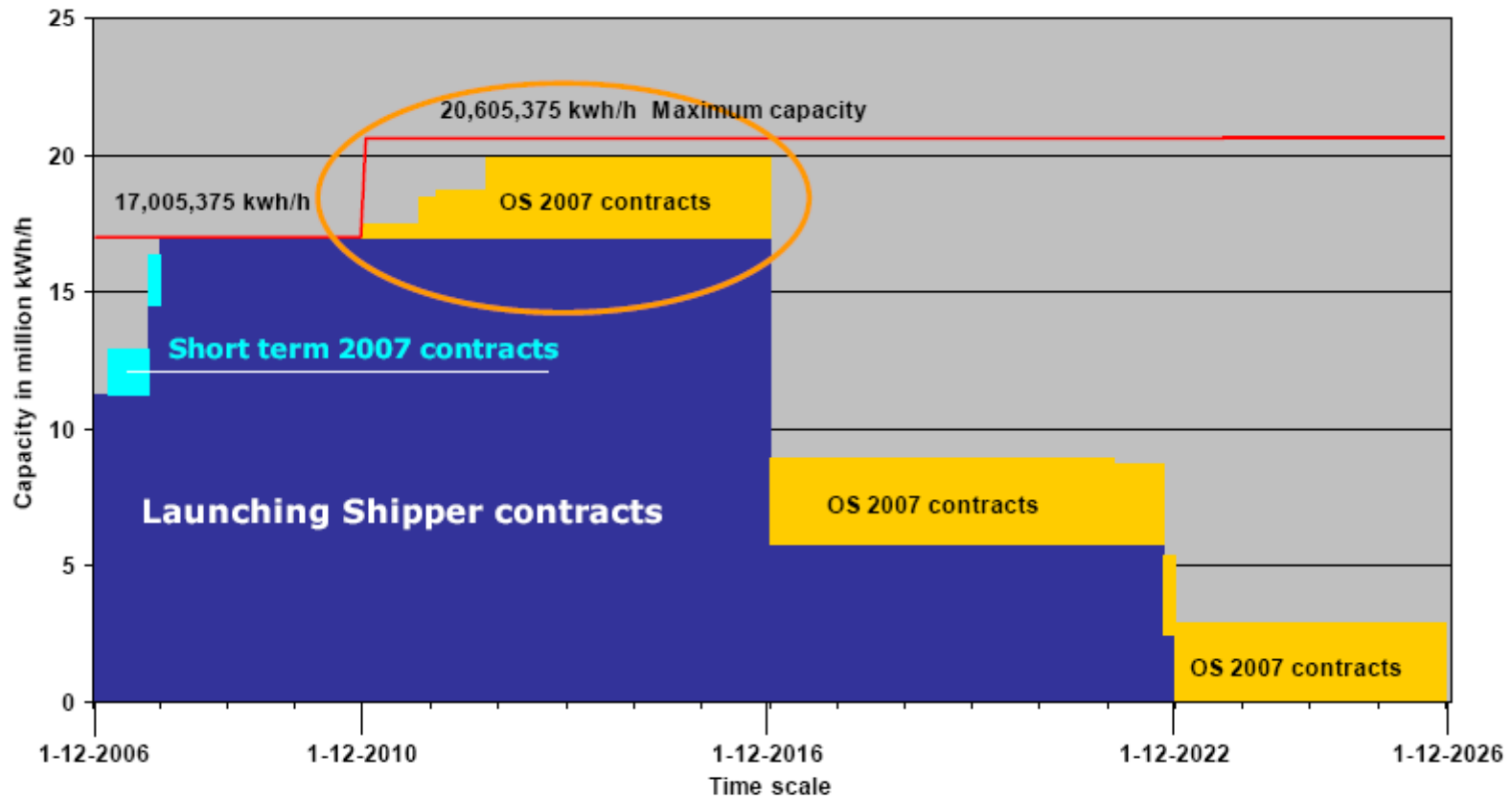
- **Interruptible forward flow**
  - Available since December 1<sup>st</sup> 2007:
  - Monthly and Daily contracts
- **Interruptible (non physical) reverse flow**  
(from Bacton to Julianadorp)
  - BBL Company is ready to offer Interruptible Reverse Flow
  - Monthly and Daily contracts
  - Agreement yet to be reached with Dutch and UK regulators on tariff methodology
- **Firm forward flow due to expansion capacity**
  - Available as from December 1<sup>st</sup> 2010
  - Yearly, Monthly and Daily contracts

(all services are offered on a first come first served basis)



Services available

# Sold capacities



## Conclusions

- BBL pipeline has operated successfully since 1<sup>st</sup> December 2006
- Damage to compressor being rectified
- Pipeline should be fully operational for UK 2008/9 winter
- Expansion volumes available from 1<sup>st</sup> December 2010
- Interruptible reverse flow to be offered when charging methodology approved by regulators



Finally  
**Questions and Answers**



Thank you for your attention!

