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for energy consumers

Rudi Streuper

Commercial Manager

BBL Company

Belinda Agnew

Gas Connections Contract Manager

National Grid Gas

Email: Gas.TransmissionResponse@ofgem.gov.uk

Date: 27 April 2022

Dear Rudi & Belinda,

Approval of the proposed Interconnection Agreement between BBL Company and National Grid Gas

On 03 February 2022, an Interconnection Agreement ("IA") between BBL Company ("BBL") and National Grid Gas ("NGG") was submitted to the Authority for approval in accordance with Standard Licence Condition ("SLC") 3 of the Gas Interconnector Licence¹ ("the Licence") – 'Compliance with bilateral agreements'. This condition states that the licensee shall enter into such bilateral agreements as may be reasonably required by any relevant gas transporter.

On 09 March 2022, BBL confirmed that the blank text showing under article 4.3.2.c of the IA had been agreed and updated. NGG also confirmed agreement of this text. An updated copy of the IA reflecting this change was provided to Ofgem on 04 April 2022.

This letter sets out our decision to approve the IA on the basis that its contents have been agreed by both parties.

¹ [Licences and licence conditions | Ofgem](#)

Background

BBL is a bi-directional interconnector that connects the Netherlands' gas market with Great Britain. BBL is a certified Transmission System Operator and holder of a gas interconnector licence.

BBL first entered into the IA with NGG on 21 April 2009. The IA relates to the connection between BBL and NGG's National Transmission System at Bacton interconnection point.

NGG proposed an enabling modification Uniform Network Code ("UNC") 0786S 'Amendment to the framework for the Bacton exit pressure service to interconnectors'.² This was a self-governance modification that did not modify the UNC document. This is a standard process for reviewing changes to documents that may impact upon users,³ such as Network Entry Agreements and IAs. UNC 0786S provides the governance to amend the IA to allow NGG to provide a revised and consistent pressure service to interconnectors off-taking gas at Bacton.

A consultation was held on UNC 0786S between 17 December 2021 and 21 January 2022. Two responses were received, from BBL and NGG, and both were in support of the proposal. On 24 January 2022, the Final Modification Report ("FMR") for UNC 0786S was submitted to the Panel for review. The UNC modification panel voted unanimously to implement UNC 0786S on 17 February 2022.

Amendments have been made to the IA to add terms of the pressure service that were described within the FMR for UNC 0786S. BBL consulted on the changes in the IA between 21 December 2021 and 28 January 2022. No responses were received.

Authority Decision

SLC 3.1 requires that bilateral agreements, and any amendments to these agreements, must be submitted to the Authority for approval. We have received a request to approve the amended IA and confirmation from both parties that all components have been agreed.

After careful consideration of the IA submitted to Ofgem on 03 February 2022 and revised on 04 April 2022, having regard to the Authority's principal objective and statutory duties, the Authority has decided to approve the IA in accordance with the provisions of SLC 3 of the Licence on the basis that its contents have been agreed by both parties.

² [0786S - Amendment of the framework for the Bacton exit pressure service to interconnectors | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](#)

³ User is defined under the UNC as a person engaged in shipping on the National Transmission System (NTS)

If you have any questions relating to this decision, please contact Helen Seaton at Gas.TransmissionResponse@ofgem.gov.uk.

Adrian Richardson

Head of Energy Security of Supply, ESMS

Signed on behalf of the Authority and authorised for that purpose