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**Per e-mail**

25 July 2024

Dear Graham

**Bacton Terminal site re-development – Final Preferred Option**

Thank you for the opportunity to respond to the Bacton Terminal site re-development – Final Preferred Option consultation published 27<sup>th</sup> June 2024<sup>1</sup>.

The NTS Bacton terminal is a strategically important entry and exit route for GB gas supply. It plays a vital role in ensuring security of supply for GB consumers regularly delivering 10-20% of GB gas supply and over 30% at critical times. Gas delivery via Bacton will continue to play an important role in the GB energy mix in the energy transition, particularly as GB requires more gas imports and more flexibility to balance intermittent renewable generation. The Bacton terminal is however an ageing asset as noted by Ofgem and in National Gas's application<sup>2</sup>.

In response to question 5.1, Interconnector therefore supports Ofgem's preferred final option to provide £10.50m (2018/19 prices) of baseline funding for Option 1 Base Case Asset Health. We also support a new re-opener window in October 2024 (question 5.2) in order to enable National Gas to efficiently facilitate the delivery of the Bacton terminal site redevelopment project. The investment allowance correctly recognises the need for on-going asset health investment to ensure Bacton NTS terminal can continue delivering security of supply for GB consumers. It also

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<sup>1</sup> <https://www.ofgem.gov.uk/sites/default/files/2024-06/Consultation-Bacton-Terminal-FOSRt-Redacted.pdf>

<sup>2</sup> Bacton Terminal Site Redevelopment Final Option Selection Report February 2024: <https://www.nationalgas.com/document/145336/download>

ensures there is more resilience in the network and confidence to connected assets in maintaining investment in their own connected infrastructure.

If you wish to clarify anything in the letter, please do not hesitate to contact me ([Pavanjit.dhesi@interconnector.com](mailto:Pavanjit.dhesi@interconnector.com)). We are also available to discuss this further with you and the team.

Yours Sincerely

**Pavanjit Dhesi**  
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