



Making a positive difference
for energy consumers

Pavanjit Dhesi

Regulatory Affairs Manager

Interconnector Limited

Natalie Ellard

Customer Lifecycle Manager

National Gas

Email: energy.securityofsupply@ofgem.gov.uk

Date: 13 March 2025

Dear Pavanjit & Natalie,

Approval of the proposed revised Pressure Service Charges Agreement between Interconnector Limited and National Gas

On 04 March 2025, a revised Pressure Service Charges Agreement ("PSCA") between Interconnector Limited ("INT") and National Gas ("NG") was submitted to the Authority¹ for approval in accordance with Standard Licence Condition ("SLC") 3 of the Gas Interconnector Licence² ("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 and any such agreements must be provided by the licensee to the Authority for its approval. NG also confirmed agreement to the proposed amendments to the PSCA.

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

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 [Licences and licence conditions | Ofgem](#)

Background

INT is the operator of a bi-directional interconnector that connects the Belgian gas market with Great Britain at the Bacton interconnection point (hereafter, "Bacton"). INT is a certified Transmission System Operator³ and holder of a gas interconnector licence.

INT first entered into an Interconnector Agreement ("IA") with NG on 25 August 1998. The IA relates to the connection between INT's pipeline and the National Transmission System ("NTS") at Bacton. On 17 June 2022, INT entered into a PSCA with NG, which includes details of the charging mechanism for the pressure service contained within the IA.

BBL Company V.O.F. ("BBLC") also has an interconnector that connects to the NTS at Bacton. BBLC has an IA and PSCA with NG for the connection between the Balgzand to Bacton Line and the NTS at Bacton. The respective PSCAs that INT and BBLC have with NG each include charging methodologies that divide the cost of NG providing a pressure service at Bacton between INT and BBLC for each Gas Day, depending on the pressure services provided to each party.

On 04 March 2025, INT submitted a revised PSCA to Ofgem for approval. The revised PSCA includes changes consistent with the implementation of Uniform Network Code 0891:

"Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (reintroduced by UNC0859 and introduced by UNC0814)" ("UNC0891") as well as other minor changes.⁴ UNC0891 is an enabling modification which provides the governance to amend the IA between NG and BBLC to temporarily provide an enhanced pressure service for BBLC at Bacton. This would permit BBLC to temporarily request enhanced pressures between 55 bar and 68 bar when exporting gas at Bacton and to increase its Maximum Network Exit Point Offtake Rate ("MNEPOR") to 252,000,000 kWh/d. The increased pressure service is temporary, applying up to and including Gas Day 31 December 2025. On 20 September 2024, the Final Modification Report ("FMR") for UNC0891 was submitted to the Panel for review. The panel voted that UNC0891 should be implemented. On 19 February 2025, Ofgem approved UNC0891.⁴

The revised PSCA submitted by INT mirrors a revised PSCA between BBLC and NG which was submitted to the Authority on 04 March 2025 and approved alongside this decision on 13 March 2025.

³ <https://www.ofgem.gov.uk/publications/certification-decision-interconnector-uk-limited-iuk>

⁴ [Decision to approve Uniform Network Code UNC0891 | Ofgem](#)

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 proposed revised PSCA, as well as confirmation from both parties that all components have been agreed.

After careful consideration of the PSCA submitted to Ofgem on 04 March 2025, having regard to the Authority's principal objectives and statutory duties, the Authority has decided to approve the revised PSCA in accordance with the provisions of SLC 3 of the Licence on the basis that its contents have been agreed by both parties. These are commercial terms between two market participants, and we have not identified any change in terms that would be detrimental to the market or to consumers.

If you have any questions relating to this decision, please contact: energy.securityofsupply@ofgem.gov.uk.

Helen Seaton

Head of Gas Security and Flexibility, ESMS

Signed on behalf of the Authority and authorised for that purpose