

To all Stakeholders

**BBL Company V.O.F.**

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Date	Direct Dial
23 October 2017	+31 6 3103 7034
Our reference	Your reference
BBL VOF 17.040	
Subject	
GT&C and CM Consultation for the CAM NC Capacity Conversion Service	

Dear Stakeholder,

On 17 March 2017 the revision of the European Network Code on Capacity Allocation Mechanisms (CAM) was published in the Official Journal of the European Union as regulation 2017/459.<sup>1</sup> Amongst other amendments the revised Network Code requires TSOs to offer a capacity conversion service to network users as of 1 January 2018. This service will resolve the situation where shippers could end up having to buy bundled capacity where unbundled capacity is required to balance capacity holdings at both sides of the Interconnection Point (IP).

Shippers who hold unbundled capacity on one side of the IP may wish to acquire unbundled capacity on the other side of the IP to match their capacity holdings at both sides. However, under CAM TSOs are required to offer bundled capacity products as a priority. Unbundled capacity can only be offered under certain specific conditions and indeed may not be available at all. In that event the shipper who wishes to have capacity at both sides of the IP would have to book a bundled capacity product with the result that the shipper will have purchased capacity twice on one side of the IP.

The new capacity conversion service allows a shipper, who has contracted existing unbundled capacity at one side of an IP and acquires bundled capacity in an auction at the same IP, to convert such unbundled capacity into bundled capacity. In line with CAM Article 21(3) the service has been further developed by ENTSOG who has delivered a model for TSOs to implement.<sup>2</sup>

The capacity conversion service requires modifications to BBL Company's General Terms & Conditions (GT&C) and Charging Methodology (CM). In accordance with BBL Company's Standard License Conditions 10 (11) and 11A (11) these modifications need to be consulted to ensure that all persons who may have a direct interest have the opportunity to submit a written representation.<sup>3</sup>

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<sup>1</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R0459>

<sup>2</sup> [https://www.entsog.eu/public/uploads/files/publications/CAM%20Network%20Code/2017/CAP0717-17\\_170724\\_ENTSOG\\_Capacity-conversion-model\\_final%20GA.pdf](https://www.entsog.eu/public/uploads/files/publications/CAM%20Network%20Code/2017/CAP0717-17_170724_ENTSOG_Capacity-conversion-model_final%20GA.pdf)

<sup>3</sup> [https://epr.ofgem.gov.uk//Content/Documents/Gas\\_Interconnector\\_SLCs\\_Consolidated%20-%20Current%20Version.pdf](https://epr.ofgem.gov.uk//Content/Documents/Gas_Interconnector_SLCs_Consolidated%20-%20Current%20Version.pdf)

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The consultation period will run from 23 October 2017 until close of business on 21 November 2017. The final modification proposals will be submitted to Ofgem for approval following consideration of your feedback.

If you wish to have further clarification of anything outlined in this letter or have any questions on the proposed modifications to the GT&C or the CM please do not hesitate to contact us at [consultations@bblcompany.com](mailto:consultations@bblcompany.com) or on +31 6 3103 7034.

Kind regards,



Marcel Neef  
Regulatory Affairs