

All Stakeholders

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Date
28 March 2019

Subject
**Public consultation on proposed revisions to the
BBLC-NGG Interconnection Agreement**

Dear Stakeholder,

BBL Company (BBLC) and National Grid Gas (NGG) are proposing amendments to their Interconnection Agreement (IA) to accommodate physical reverse flow (PRF) services on the BBL. Stakeholders are welcome to submit their comments on what is presented in this document via consultations@bblcompany.com until 25 April 2019.

The purpose of this letter is to aid your understanding of the reasoning for the proposed amendments and the process for consultation.

Background

Company Information

BBLC's main activities are the ownership and operation of a pipeline connecting the Netherlands (Balgzand) and the United Kingdom (Bacton). As of the 1st of December 2006 the BBL pipeline has been operational and transporting gas to the UK. BBLC is a certified TSO under the ownership and unbundling requirements of the Third Package and is partly (for its non-exempted capacity) subject to the regulations that follow from it.

NGG is the owner and operator of the gas National Transmission System (NTS) in Great Britain that connects with the BBL Pipeline at Bacton. The NTS plays an important role in facilitating the competitive gas market and provides the UK with a secure gas supply. It has a network of pipelines, which transports gas safely and efficiently from coastal terminals and storage facilities to exit points from the system. The Network Exit points are connections to Distribution Networks (DNs), storage sites, direct connections to power stations, large industrial consumers and other systems, such as interconnectors.

Interconnection Agreement (IA)

The IA describes the arrangements and operational working provisions between BBLC and NGG, being the Transmission System Operators (TSOs) whose systems are connected at the BBL Interconnection Point (IP) at Bacton.

Reason for Change

BBLC aims to offer physical reverse flow services as of 1 July 2019 and currently implements the necessary construction works on the BBL pipeline to technically enable the physical reverse flow of natural gas (from the United Kingdom to the Netherlands). The reason for

changing the IA is to make it applicable to both forward and reverse flow gas transport services when the BBL pipeline's physical reverse flow capability is realized.

Description of IA Changes

In order to make the IA fit for both forward and physical reverse flow, several changes are made to the IA to introduce arrangements and operational working provisions between the TSOs regarding physical reverse flow. These changes are indicated in red (deleted text) and blue (inserted text) in the document.

Moreover, some paragraphs moved within the document. This is indicated in green text in the document.

Consultation Process

The consultation period will run from 28 March 2019 to 25 April 2019.

Please send your response to consultations@bblcompany.com. Any response not marked confidential will be published on the BBLC website. Confidential responses will be published without any references to your company name. If you indicate that you do not wish to have your response published at all, your response will not be published on the BBLC website and only an anonymized version of your response will be sent to Ofgem.

The final IA modification proposal will be submitted to Ofgem for approval following consideration of the responses received.

If you wish to have further clarification of anything outlined in this letter or if you have any questions on the proposed modifications to the IA, please do not hesitate to email us at consultations@bblcompany.com or call Jasper Stevens at +31631037394 or Rudi Streuper at +31611005087.

Kind regards,



Jasper Stevens
Regulatory Affairs

Annex 1; BBL-NGG Amended and Restated Interconnection Agreement