

To direct stakeholders

BBL Company V.O.F.

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Date

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Our reference

BBL VOF 23.13

Subject

Consultation of the proposed modification to BBLC's General
Terms & Conditions (GT&C) and Charging Methodology (CM)

Dear Stakeholder,

BBL Company (BBLC) is proposing to make some modifications to its General Terms and Conditions (GT&C) and Charging Methodology (CM).

We seek your views on these proposed modifications and invite you to submit a written response by Friday 21st April 2023. You can find further details on how to submit your response at the bottom of this letter.

Introduction

The recent turmoil in the GB and EU energy markets have led to unprecedented NBP and TTF commodity prices for both gas and electricity.

Although NBP and TTF commodity prices have fallen substantially compared to what they were in 2022, the absolute level of these prices is still 5 to 6 times higher than the levels seen before 2021. During these turbulent times BBLC has made a large contribution to the increased West-East gas flows in 2022 that were required to meet EU needs due to the repercussions of the war in Ukraine. This situation has not only led to increasing shipper demand for BBL capacity, especially in the longer term, but has also led to high inflation figures for OPEX related costs such as maintenance costs and costs related to the provision of the electricity connection at the compressor station.

The proposed modifications reflect the above market developments and are set out below.

1. Proposed modifications to Exhibit B Credit Control Protocol

- Page 2: Reduction of the credit limit for shippers by subtracting any unpaid invoices.

2. Proposed modifications to BBLC Implicit Allocation Guidance Document

- Page 3: Introduction of “Weekend”, “Working days next week” and “Daily” products.
- Page 3: Extending the implicit allocation window from 8 periods ahead to 15 years ahead for seasonal and quarterly capacity products. The window for monthly products to be extended from 8 months to 15 months ahead.

3. Proposed modifications to Charging Methodology (CM)

- Page 4: Incorporation of an indexation regime (100% CPI) for capacity bookings with a start date beyond the current gas year.
- Page 6: Incorporation of a fixed factor in the commodity charge formula to cover fixed Tennet electricity connection costs.
- Page 6: introduction of a minimum value of zero (0) for the electricity and gas charges within the commodity charge formula.

In addition, BBLC has amended, on pages 2, 11 and 12, the number “thirty” to “three” which reflects the change approved by Ofgem in BBLC’s 2022 consultation.

Also, BBLC is deleting the reference to the publication of electricity prices and gas prices since this is not relevant due to the replacement of the published index prices.

Access Rules objectives

The proposed changes are described and marked in the attached tracked-change documents. All the proposed new products are transparent, objective and non-discriminatory and will be available to all BBL shippers. The changes meet the requirements of applicable legislation and, therefore, are in line with the Access Rules objectives (SLC 11A(5)).

Process

The consultation period will run from Tuesday 21 March 2023 through to Friday 21 April 2023.

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.

Following consideration of any responses received BBLC will prepare a conclusions report in accordance with SLC 11A(11)(b) and SLC 10(11)(b) and submit it to Ofgem for approval.

Yours sincerely,



Rudi Streuper
Commercial Manager