



Charging Statement
related to the
Interconnector Access Agreement
and
Interconnector Access Code
Issue 50
Applicable from 30 June 2022

Introduction	3
1. Reserve Prices for Capacity offered via PRISMA for use during the Gas Year 2021-22 and future Gas Years.....	4
1.1 Annual Firm Capacity for Gas Year 2022-23 and future Gas Years.....	4
1.2 Quarterly Firm Capacity for Gas Year 2022-23	5
1.3 Monthly Firm Capacity for Gas Year 2021-22 and future Gas Years	5
1.4 Daily Firm Capacity for Gas Year 2021-22 and future Gas Years	6
1.5 Within Day Firm Capacity for Gas Year 2021-22 and future Gas Years	6
2. Prices for Firm Capacity offered via Implicit Allocation for use during the Gas Year 2021-22 and future Gas Years.....	7
2.1 Annual Firm Capacity	7
2.2 Seasonal Firm Capacity	7
2.3 Quarterly Firm Capacity	8
2.4 Monthly Firm Capacity.....	8
2.5 Balance of Month Firm Capacity (“BOM”).....	9
2.6 Half Month Firm Capacity	9
2.7 Working Days Next Week Firm Capacity (“WDNW”).....	9
2.8 Weekend Firm Capacity (“WE”).....	9
2.9 Daily Firm Capacity (“DA”)	10
3. Booking Incentives	10
3.1 Annual Capacity Structures.....	10
3.2 Lowest Price Guarantee	11
3.3 Seasonal Capacity Structures	11
4. Conditional Firm Capacity (CF1) Products.....	12
5. Standard Interruptible Capacity Products.....	12
6. Commodity Charge.....	13
6.1 Commodity Charges for Gas Year 2021-22	13
6.2 Exceptional Commodity Charge during Q1 and Q4 of any calendar year	13
7. Monthly Administration Fee	14
8. Maximum Buy-back Price.....	14
9. Forced Buy-back Price	14
10. Net OS Revenue Account	14
11. Balancing Charges	15
Appendix 1 – Indexation	16
1 Indexation Factor	16

2	Application	17
2.1	Contracted Capacity Price.....	17
2.2	Monthly Administration Fee (“MAF”).....	17
2.3	Maximum Buy-back Price premium (“MBPP”)	17

Introduction

This statement sets out the charges that Interconnector Limited (“Interconnector”) will apply from the publication date for transportation services provided under an Interconnector Access Agreement (the “IAA”) and the Interconnector Access Code (“IAC”). The statement will be revised and reissued when appropriate. These charges are consistent with the principles outlined in Interconnector’s Charging Methodology including its pricing publication timetable.

Entry and Exit Capacity is made available for sale by means of auctions on the PRISMA platform in accordance with Commission Regulation (EU) 2017/459 (“CAM Code”). In addition, capacity may be made available via an Implicit Allocation Mechanism using an Implicit Allocation Partner according to the rules set out in Annex B-3 of the IAC.

For all capacity offered the factors determining the prices are:

- Competitive forces and the prices of competing and complementary services;
- Operating costs for operating and maintaining the company and its assets;
- Capital expenditures required to maintain the service;
- Projected customer demand for Interconnector capacity and the forecast volume of both long term and short term sales under a range of market scenarios; and
- A risk premium applied to the yearly standard capacity product reflecting the benefits of certainty regarding the level of the price. The level of the premium has been set to zero.

Interconnector’s reserve prices for allocation through an auction or prices for allocation through implicit allocation (incl. those covered by booking incentives) are fixed at the time of allocation¹. Any auction premium is intended to be used by Interconnector to contribute to maintaining and operating the pipeline.

Interconnector offers capacity in kWh/h and all capacity related charges are calculated as p/(kWh/h)/h. For capacity products offered on PRISMA, the runtime price is calculated using the number of hours in the relevant runtime. Capacity offered via an Implicit Allocation Mechanism (“IAM”) will be in p/(kWh/h)/h or p/(kWh/h)/d. Capacity charges will be calculated using the relevant p/(kWh/h)/h and the hours in the billing period. Invoiced amounts will be either in Pounds sterling to the nearest penny or Euros to the nearest euro cent.

The absolute level of the price multipliers caps to be applied relative to the prices for firm Annual Capacity are:

Quarterly	1.5
Monthly	3
Daily	6
Within Day	6

Further information on the charges that apply for transportation services under an IAA is set out in Section F of the IAC and Interconnector’s Charging Methodology. The definitions of terms used in this document can be found in the IAA.

¹ Subject to annual indexation if a product is purchased to be used in future years. See IAC Section F paragraph 5.3. Indexation is based on RPI - “CHAW” Index numbers of consumer prices – “RPI All Items”.

Information about Interconnector and copies of the IAA, IAC and Interconnector’s Charging Methodology can be found on the Interconnector website at <https://www.fluxys.com/en/company/interconnector-uk>.

Interconnector will notify any changes to the within day firm capacity prices at least one hour in advance of the relevant within day auction.

Implementation of the integration of the Interconnector and Fluxys Belgium Market Areas

Subject to the regulatory approval of the proposed integration of the Interconnector and Fluxys Belgium Market Areas², the prices for capacity offered via PRISMA and Implicit Allocation for use from 1 December 2022 will be updated to account for the following:

- The Interconnector Zeebrugge Entry and Zeebrugge Exit charges will be included in the Bacton Entry and Bacton Exit charges. There will be no change to the through the pipe cost for Interconnector Capacity Transactions that have occurred before the implementation of the new model.
- From 1 December 2022, an additional element will be incorporated into the Bacton Entry and Bacton Exit Prices to cover the Fluxys Belgium tariff for the removed IZT Interconnection Point. From 1 December 2022, an additional element will be incorporated into the Interconnector Commodity Charge formulae to cover the commodity charge related to the use of the Fluxys Belgium Transmission System.

1. Reserve Prices for Capacity offered via PRISMA for use during the Gas Year 2021-22 and future Gas Years

The price step in an auction is set at a fixed number or a % of the applicable Interconnector reserve price. The relevant small or large price step will be published on the PRISMA platform in advance of the auction.

1.1 Annual Firm Capacity for Gas Year 2022-23 and future Gas Years

The prices to apply are as follows:

		2022-23 to 2035-36
		p/(kWh/h)/h
UK to BE	Bacton Entry	0.029003
	Zeebrugge Exit	0.029003
BE to UK	Zeebrugge Entry	0.029003
	Bacton Exit	0.029003

Annual firm capacity prices are fixed for GY 2022-23. For following years, these prices are subject to indexation in accordance with Section F paragraph 5.3 of the IAC. See Appendix 1 for an example of how indexation is applied.

² <https://www.fluxys.com/en/products-services/empowering-you/customer-interactions/consultations-in-the-uk>

1.2 Quarterly Firm Capacity for Gas Year 2022-23

The prices to apply are as follows:

		Oct 22 – Dec 22 Q4 2022	Jan 23 – Mar 23 Q1 2023	Apr 23 – Jun 23 Q2 2023	Jul 23 – Sep 23 Q3 2023
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.042652	0.042652	0.042652	0.042652
	Bacton Exit	0.042652	0.042652	0.042652	0.042652

Interconnector will notify any changes to the quarterly firm capacity prices at least one week in advance of the relevant quarterly auction.

1.3 Monthly Firm Capacity for Gas Year 2021-22 and future Gas Years

The prices to apply are as follows:

		Jul 22	Aug 22	Sep 22
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.018767
	Bacton Exit	0.018767	0.018767	0.018767

		Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243

		Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243

Interconnector will notify any changes to the monthly firm capacity prices at least one day in advance of the relevant monthly auction.

1.4 Daily Firm Capacity for Gas Year 2021-22 and future Gas Years

The prices to apply are as follows:

		Jun 22	Jul 22	Aug 22	Sep 22
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.085304	0.085304	0.085304	0.085304
	Zeebrugge Exit	0.085304	0.085304	0.085304	0.085304
BE to UK	Zeebrugge Entry	0.051182	0.051182	0.051182	0.051182
	Bacton Exit	0.051182	0.051182	0.051182	0.051182

		Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Zeebrugge Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
BE to UK	Zeebrugge Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364

		Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Zeebrugge Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
BE to UK	Zeebrugge Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364

Interconnector will notify any changes to the daily firm capacity prices at least six hours in advance of the relevant daily auction.

1.5 Within Day Firm Capacity for Gas Year 2021-22 and future Gas Years

The prices to apply are as follows:

		Jun 22	Jul 22	Aug 22	Sep 22
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.085304	0.085304	0.085304	0.085304
	Zeebrugge Exit	0.085304	0.085304	0.085304	0.085304
BE to UK	Zeebrugge Entry	0.051182	0.051182	0.051182	0.051182
	Bacton Exit	0.051182	0.051182	0.051182	0.051182

		Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Zeebrugge Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
BE to UK	Zeebrugge Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364

		Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Zeebrugge Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
BE to UK	Zeebrugge Entry	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364	0.102364

Interconnector will notify any changes to the within day firm capacity prices at least one hour in advance of the relevant within day auction.

2. Prices for Firm Capacity offered via Implicit Allocation for use during the Gas Year 2022-23 and future Gas Years

Annual, Seasonal and Quarterly Prices (incl. when covered by incentives) are subject to indexation from Gas Year 2023-2024 onwards in accordance with Section F paragraph 5.3 of the Interconnector Access Code. See Appendix 1 for an example of how indexation is applied.

2.1 Annual Firm Capacity

Annual Firm Capacity may be offered for any of the following fifteen Gas Years. The fixed prices to apply are as follows:

		2022-23 to 2036-37
		p/(kWh/h)/h
UK to BE	Bacton Entry	0.029003
	Zeebrugge Exit	0.029003
BE to UK	Zeebrugge Entry	0.029003
	Bacton Exit	0.029003

Annual firm capacity prices are fixed for GY 2022-23.

2.2 Seasonal Firm Capacity

Capacity may be offered for consecutive Q4 (Oct-Dec) and Q1 (Jan-Mar) quarters or Q2 (Apr-Jun) and Q3 (Jul-Sep) quarters in the next fifteen years. The prices to apply are as follows:

		Oct 22 – Mar 23 To Oct 23 – Mar 24	Apr 23 – Sep 23 To Apr 24 – Sep 24
		p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.038387	0.038387
	Zeebrugge Exit	0.038387	0.038387
BE to UK	Zeebrugge Entry	0.038387	0.038387
	Bacton Exit	0.038387	0.038387

		Oct 24 - Mar 25 to Oct 37 - Mar 38	Apr 24 – Sep 25 to Apr 38 – Sep 38
		p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.034121	0.034121
	Zeebrugge Exit	0.034121	0.034121
BE to UK	Zeebrugge Entry	0.034121	0.034121
	Bacton Exit	0.034121	0.034121

Interconnector has the right to change the seasonal firm capacity prices with at least a week’s notice ahead of the relevant Implicit Allocation offering.

2.3 Quarterly Firm Capacity

Capacity may be offered for any of the four Quarters in the next fifteen years. The prices to apply are as follows:

		Oct 22 – Dec 22 Q4 2022	Jan 23 – Mar 23 Q1 2023	Apr 23 – Jun 23 Q2 2023	Jul 23 – Sep 23 Q3 2023
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.042652	0.042652	0.042652	0.042652
	Bacton Exit	0.042652	0.042652	0.042652	0.042652

		Q4 2023 to Q4 2036	Q1 2024 to Q1 2037	Q2 2024 to Q2 2037	Q3 2024 to Q3 2037
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.042652	0.042652	0.042652	0.042652
	Bacton Exit	0.042652	0.042652	0.042652	0.042652

Interconnector has the right to change the quarterly firm capacity prices with at least a week’s notice ahead of the relevant Implicit Allocation offering.

2.4 Monthly Firm Capacity

Capacity may be offered for any of the following eight months. The prices to apply for all months of GY 2022 – 23 are as follows:

		Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243

		Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243

Interconnector has the right to change the monthly firm capacity prices with at least six hours notice ahead of the relevant Implicit Allocation offering.

2.5 Balance of Month Firm Capacity (“BOM”)

Capacity may be offered two days in advance of the capacity start date for all remaining Gas Days within the current Month. The pricing will be based on a sliding scale between the relevant Monthly price and the relevant Daily price based on the number of days remaining in the month.

Interconnector has the right to change the Balance of month firm capacity prices with at least six hours notice in advance of the relevant Implicit Allocation offering.

2.6 Half Month Firm Capacity

Capacity may be offered for the next available Front Half and Back Half of any month. Product durations are aligned with the contracts offered on the brokered Over The Counter (“OTC”) gas commodity market³.

The pricing will be based on the Balance of Month Capacity calculation, using the number of days offered in the period.

Interconnector has the right to change the Half Month firm capacity prices with at least six hours notice in advance of the relevant Implicit Allocation offering.

2.7 Working Days Next Week Firm Capacity (“WDNW”)

Capacity may be offered for the following week (Monday-Friday). UK Bank Holidays will be excluded from the WDNW product and instead treated as a Weekend product. The pricing will be based on the Balance of Month Capacity calculation, using the number of days offered in the period.

Interconnector has the right to change the WDNW firm capacity prices with at least six hours notice in advance of the relevant Implicit Allocation offering.

2.8 Weekend Firm Capacity (“WE”)

Capacity may be offered for the following Weekend (Saturday-Sunday) assuming no UK Bank Holidays fall either side of these days. Where they do, they will be included in the Weekend product.

Interconnector has the right to change the WE firm capacity prices with at least six hours notice in advance of the relevant Implicit Allocation offering.

³ Typically the Front Half/Back Half split will be calculated by the number of days in the month divided by 2, where the Front Half adopts the extra day in the case of odd numbered days. This methodology can be overturned by committee and as a result, Interconnector will align, in advance of the period, with the OTC defined periods.

2.9 Daily Firm Capacity (“DA”)

Capacity may be offered on any UK working day (Monday-Friday) for the following working day. DA capacity for use on Saturday, Sunday or UK Bank Holidays will not be offered via IAM.

Interconnector has the right to change the DA Firm capacity prices with at least six hours notice in advance of the relevant Implicit Allocation offering.

3. Booking Incentives

Interconnector is able to offer booking incentives in line with 2.2.4 of the Charging Methodology against specific structures or combinations of Capacity Transactions.

- a) Booking Incentives are only applied against the Reserve Price of the Capacity and not on any Auction Premium paid.
- b) Booking incentives are only applied against the lowest quantity across the various Capacity Transactions for that specific structure.
- c) In all cases, all the required components of a specific structure must be purchased prior to the first gas day on which the first capacity component can be utilised.
- d) Shippers may utilise either Interconnector’s Implicit Allocation Mechanism or via PRISMA, or a combination of both, to create a specific structure.
- e) All the required components of a specific structure must be purchased within 2 weeks of each other.
- f) Interconnector may withdraw the offering of booking incentives at any time or amend the conditions of the booking incentives for applicable future Capacity Transactions with one week’s notice.

3.1 Annual Capacity Structures

As an exception to e) above, the components required to create incentivised annual capacity structures under this section 3.1. must be purchased between the effective date of this charging statement and up to two weeks (inclusive) after the close of the PRISMA Auction for Yearly Capacity (starting 4 July 2022).

A) Annual Capacity Structure

Capacity Transactions which include 3 or more successive Annual Capacity Products under the Annual Capacity Structure can qualify for an incentive. Annual Capacity booked for Gas Year 2022-23 until Gas Year 2036-37 will be considered eligible for this incentive.

The following prices will be applied to Capacity Transactions which meet the above criteria

		1-2 Successive Gas Years (GY22-GY36)	3 – 4 Successive Gas Years (GY22-GY36)	5-6 Successive Gas Years (GY22-GY36)	7 or more Successive Gas Years (GY22-GY36)
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.029003	0.025591	0.022179	0.018767
	Zeebrugge Exit	0.029003	0.025591	0.022179	0.018767
BE to UK	Zeebrugge Entry	0.029003	0.025591	0.022179	0.018767
	Bacton Exit	0.029003	0.025591	0.022179	0.018767

B) Annual Capacity Structure with Annual Bi-Directional Incentive

An incentive can be applied to Capacity Transactions which include an Annual Capacity Product in the UK to BE flow direction and an Annual Capacity Product in the BE to UK flow direction for the same Gas Year.

The incentive to apply is a 67% reduction on the Bacton Entry/Zeebrugge Exit⁴ Annual Capacity Product. This reduction will be based off the applicable Bacton Entry/Zeebrugge Exit Capacity Price calculated separately (e.g. 3-4 Successive GYs = a 67% reduction on the UK to BE Capacity price of 0.025591p/(kWh/h)/h).

C) Annual Capacity Structure with Seasonal Bi-Directional Incentive

An incentive can be applied to Capacity Transactions which include an Annual Capacity Product in the UK to BE flow direction and a Winter Seasonal Capacity Product in the BE to UK flow direction. Both the Annual Capacity Product and Seasonal Capacity Product must be for utilisation during the same Gas Year. In such case, a 50% reduction of the Zeebrugge Entry/Bacton Exit Capacity Price will be applied and deducted from the applicable Bacton Entry/Zeebrugge Exit Capacity Price for the Winter period.

This incentive can also be combined with Incentive A for the (multi-) Annual Capacity Structures.

3.2 Lowest Price Guarantee

Where a Shipper books 5 or more successive Annual Capacity Products under the Annual Capacity Structure they will benefit from the lowest price guarantee as defined in the Interconnector Charging Methodology (paragraph 2.2.4). Where such Capacity Transactions include a Bi-Directional Incentive, the Tariff against which the lowest price guarantee applies is the full, non-discounted tariff.⁵

3.3 Seasonal Capacity Structures

An incentive can be applied against Capacity Transactions which include a Seasonal Capacity Product in either the UK to BE flow direction or the BE to UK flow direction and a Seasonal Capacity Product in the opposite flow direction for the same period. (E.g. a Summer 2024 UK to BE Product and a Summer 2024 BE to UK Product.) The incentives to apply to Capacity Transactions which meet the above criteria are as follows:

- For a Seasonal Capacity Product booked for Summer (Apr-Sep), a 90% reduction of the applicable Bacton Entry/Zeebrugge Exit Seasonal Capacity price will be applied;
- For a Seasonal Capacity Product booked for Winter (Oct-Mar), a 50% reduction of the applicable Bacton Entry/Zeebrugge Exit Seasonal Capacity price will be applied.

The Bi-directional incentive will be applied to the Bacton Entry/Zeebrugge Exit Capacity Product only. No incentive will be applied to the Zeebrugge Entry/Bacton Exit Capacity Product.

⁴ Bacton Entry/Bacton Exit for Annual products purchased for future years subject to NRA approval of the proposed merger of Interconnector and the BELUX market area

⁵i.e. for a Shipper who books 5 successive Annual Capacity Products with an Annual Bi-Directional Incentive applied, the lowest price guarantee would be applied against a tariff of 0.022179p/(kWh/h)/h (1.30p/th) for the UK to BE flow direction and 0.022179p/(kWh/h)/h (1.30p/th) for the BE to UK flow direction.

4. Conditional Firm Capacity (CF1) Products

Interconnector may offer Conditional Firm (CF1) capacity products falling within Q4 and Q1 in the UK import direction, for up to 30% of Interconnector’s technical UK import capacity.

Conditional Firm CF1 capacity tariffs will be the same as the corresponding Firm products. If a Demand Response event is called by Interconnector’s Electricity Supplier for the next *calendar* day, Interconnector will notify the market via its website and an Urgent Market Message (UMM). Holders of Conditional Firm CF1 Registered Capacity can then make the choice to either pay the Exceptional Commodity Charge (as described in Paragraph 6.2) or reduce their gas flow nominations for the affected day(s).

Shippers who hold Registered Conditional Firm (CF1) Capacity on a day where a Demand Response has been called will receive a 100% rebate of the relevant Zeebrugge Entry Capacity tariff and Bacton Exit Capacity tariffs only for all hours of the affected day(s), reflected in their next invoice.

5. Standard Interruptible Capacity Products

Interconnector will offer daily interruptible capacity if the corresponding daily standard firm capacity product was sold at an auction premium, was sold out, or was not offered. The daily interruptible capacity reserve prices will be at a 10% discount to the prevailing daily standard firm product reserve prices.

Interconnector may offer annual, quarterly, monthly and within day interruptible capacity if the corresponding standard firm capacity product was sold at an auction premium, was sold out, or was not offered. If offered, the interruptible capacity reserve prices will be at a 10% discount to the corresponding standard firm product of the same period.

The interruptible capacity discount has been set to 10% to the corresponding standard firm capacity product to signal that this capacity may be interrupted⁶.

⁶ In last 11 years there have been very few interruptions to firm capacity rights as shown in the table below:

Year	Hours Lost	Hours in Year
2010/11	0	8,760
2011/12	0	8,784
2012/13	9	8,760
2013/14	0	8,760
2014/15	0	8,760
2015/16	20	8,784
2016/17	15	8,760
2017/18	11	8,759
2018/19	0	8,760
2019/20	0	8,784
2020/21	0	8,760
Total (10 years)	55	96,432

Whilst this suggests a very low discount relative to standard firm products, in a situation when the corresponding standard firm capacity has all been sold out, given Interconnector is a single asset without access to a wider system, Interconnector’s capacity is limited by its interconnection point technical capacity. There will therefore be a higher risk of interruption than suggested by looking at just historical hours lost. Interconnector has hence rounded the discount to 10%.

6. Commodity Charge

In accordance with Section F paragraph 9.3 of the IAC, Interconnector will invoice each Shipper with a Monthly Commodity Charge which covers the cost of flowing gas taking into account shrinkage.

6.1 Commodity Charges for Gas Year 2021-22 & Gas Year 2022-23

The commodity unit costs to be applied from 1 November 2021 are calculated using the following formulae:

Commodity Unit Cost (Bacton) (GB to BE flow) in p/kWh = $0.0001452 * \text{ICIS Day-Ahead NBP Price Assessment (p/th)}$

Commodity Unit Cost (Zeebrugge) (BE to GB flow) in p/kWh = $0.0102364 + [0.0002252 * \text{ICIS Day-Ahead NBP Price Assessment (p/th)}]$

Where:

- (i) ICIS Day-Ahead NBP Price Assessment means the Natural Gas price at the National Balancing Point for the Day-Ahead contract assessed at 16:30 UKT⁷ on the preceding Gas Day⁸, as published each working day in the ICIS European Spot Gas Markets report;
- (ii) A Working Day is followed by a Weekend or a Bank Holiday, the ICIS Weekend NBP Price Assessment will be applied in the Commodity Charge formulae rather than the Day-Ahead NBP Price Assessment.

The commodity unit costs will be published on the Gas Day for which the commodity charge applies on Interconnector's website at https://www.fluxys.com/en/products-services/empowering-you/tariffs/tariff_interconnector.

6.2 Exceptional Commodity Charge during Q1 and Q4 of any calendar year

For holders of Conditional Firm (CF1) Capacity during Q1 and Q4 of any calendar year, the Commodity Charges will be supplemented by an exceptional charge in the event that Interconnector's electricity supplier for its Zeebrugge terminal calls for a demand response. This charge will only be applicable to those who choose to flow during the affected gas day(s).

Specifically, upon receipt of such demand response notification for the next calendar day, Interconnector will notify the market via its website and via an Urgent Market Message (UMM), indicating the hours during which the demand response applies.

Such demand response hours are:

- (a) 3 consecutive hours;
- (b) with a possibility for a second activation of 3 consecutive hours on days for which:

⁷ Where the day is the final working day immediately preceding 25 December and 1 January, the prices will be assessed at 12:00 UKT.

⁸ i.e. The Day-Ahead NBP Price as published at 16:30 UKT on a Monday will be used to calculate the commodity charge applicable to Tuesday's Gas Day .

- (i) a brown-out has been announced for the Belgian market, or
- (ii) the BELPEX day-ahead market has cleared above 2,000EUR/MWh for at least two non-consecutive hours).

For electricity consumed during the demand response hours Interconnector will incur costs at the negative imbalance tariff as published by the Belgian electricity transmission grid operator, Elia (<https://www.elia.be/en/grid-data/balancing/current-system-imbalance>). Interconnector will allocate these costs as an exceptional charge to the holders of Conditional Firm (CF1) Capacity who flow during the affected gas day(s), pro-rated to the sum of their Entry Allocations at the Zeebrugge Entry Point on the affected Gas Day.

7. Monthly Administration Fee

The Monthly Administration Fee payable by each Shipper under an IAA during the Gas Year 2021-22 is £585. The fee for future Gas Years will be calculated as set out in Appendix 1.

8. Maximum Buy-back Price

When Interconnector implements the Buy-back procedure as set out in the IAC Section C paragraph 3.1, it will accept offers from shippers subject to paying no more than the Maximum Buy-back Price. This is the aggregate price that Interconnector will pay for offered Entry Capacity and Exit Capacity and will be calculated as the weighted average price paid for that day's Entry Capacity and Exit Capacity plus a premium of 0.039958p/(kWh/h)/h for Gas Year 2021-22. The premium for future Gas Years will be calculated as set out in Appendix 1.

9. Forced Buy-back Price

When Interconnector implements the Forced Buy-back procedure set out in the IAC Section C paragraph 3.2, it will pay a Shipper for the reduction in Entry Capacity and Exit Capacity at the Forced Buy-back Price. This price shall be the price paid by the Shipper for such capacity plus a premium equal to 5% of the weighted average price paid for all Entry Capacity and Exit Capacity for that day.

10. Net OS Revenue Account

Interconnector will keep track of the revenue from IAA Capacity sales that originated from oversubscription on a cumulative basis over the Gas Year, minus any payments made for Buy-back during that time. The net amount will be allowed to go negative up to a limit, the "**Maximum Deficit**", of £100,000. At this level, if further Buy-back is required, Interconnector will implement the Forced Buy-back procedure.

At the end of the Gas Year, if the balance in the Net OS Revenue Account is positive, then 75% of this amount (the "**Net Revenue Share**") will be distributed to all shippers based on their allocated flow over the year. If the balance in the Net OS Revenue Account is negative, the amount to be distributed shall be zero.

11. Balancing Charges

A Shipper has an obligation to be in balance on an hourly basis such that its Intended Inputs equal its Intended Outputs. Intended Inputs and Intended Outputs take into account the Shipper's Confirmed Nomination Quantities for Entry and Exit and additionally any Acquiring or Disposing Trade Notifications.

The Allowed Tolerance is set at 0 kWh. On any Gas Day on which the Shipper's accumulated imbalance exceeds the Allowed Tolerance, a Balancing Charge shall apply as detailed in the IAC Section E and Section F.

Appendix 1 – Indexation

1 Indexation Factor

The following prices and fees are indexed using an Indexation Factor defined below:

- (a) The Contracted Capacity Price for Capacity Products that cover multiple Gas Years, in accordance with Section F paragraphs 5.1 to 5.3 of the IAC;
- (b) Monthly Administration Fee;
- (c) Maximum Buy-back Price premium.

“**Indexation Factor**” means for Gas Year Y the ratio of RPI_Y/RPI_0 where:

- (i) RPI means the “CHAW” Index numbers of consumer prices – “RPI All Items” as published by the Office for National Statistics in the monthly Consumer Price Inflation Reference Tables (or any successor to such Index published by such Office or any other department of HM Government) at www.ons.gov.uk;
- (ii) RPI_Y = the average value of the RPI for the twelve month period ending on 30 June immediately prior to the commencement of Gas Year Y;
- (iii) RPI_0 = average RPI for twelve months ending 30 June prior to the commencement of the Initial Gas Year, such value to be revised by Interconnector in the event of the index being updated or replaced.

The values of RPI are follows:

Base 1987=100														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Avg	RPI_Y
2013-14	249.1	251	251.9	251.9	252.1	235.4	252.6	254.2	254.8	255.7	255.9	256.3	253.2917	RPI_{14}
2014-15	256	257	257.6	257.7	257.1	257.5	255.4	256.7	257.1	258	258.5	258.9	257.2917	RPI_{15}
2015-16	258.6	259.8	259.6	259.5	259.8	260.6	258.8	260	261.1	261.4	262.1	263.1	260.3667	RPI_{16}
2016-17	263.4	264.4	264.9	264.8	265.5	267.1	265.5	268.4	269.3	270.6	271.7	272.3	267.325	RPI_{17}
2017-18	272.9	274.7	275.1	275.3	275.8	278.1	276	278.1	278.3	279.7	280.7	281.5	277.1833	RPI_{18}
2018-19	281.7	284.2	284.1	284.5	284.6	285.6	283	285	285.1	288.2	289.2	289.6	285.400	RPI_{19}
2019-20	289.5	291.7	291	290.4	291	291.9	290.6	292	292.6	292.6	292.2	292.7	291.517	RPI_{20}
2020-21	294.2	293.3	294.3	294.3	293.5	294.5	294.6	296	296.9	301.1	301.9	304	296.625	RPI_{21}

2 Application

2.1 Contracted Capacity Price

Example : calculation of the indexed Contracted Capacity Price in Gas Year 2021-22

Suppose Annual Capacity (Entry or Exit) was allocated in the auction in March 2016 with a Contracted Capacity Price (CCP_{16}) of 0.018767 p/(kWh/h)/h, i.e. no Interconnector Auction Premium, with the Capacity Period starting on 1 October 2021:

The indicative payable price for Gas Year 2021-22 is calculated as follows –

Gas Year	Calculation method	RPI	Indexation Factor	Indicative Payable Price		
				p/(kWh/h)/h		
2016-17	CCP_{16}	No indexation	$RPI_0 = 260.3667$	-	0.018767	No capacity held
2017-18	CCP_{17}	$CCP_{16} \times IF_{17}$	$RPI_{17} = 267.325$	1.026725	0.019269	No capacity held
2018-19	CCP_{18}	$CCP_{16} \times IF_{18}$	$RPI_{18} = 277.1833$	1.064588	0.019979	
2019-20	CCP_{19}	$CCP_{16} \times IF_{19}$	$RPI_{19} = 285.4$	1.096146	0.020571	
2020-21	CCP_{20}	$CCP_{16} \times IF_{20}$	$RPI_{20} = 291.517$	1.119639	0.021012	
2021-22	CCP_{21}	$CCP_{16} \times IF_{21}$	$RPI_{21} = 296.625$	1.139259	0.021380	Price applicable to Contracted Capacity

Note : the above payable prices are for illustration only, the invoiced capacity charges will be calculated in accordance with the IAC Section F paragraph 5.

2.2 Monthly Administration Fee (“MAF”)

The fee will be calculated as (RPI_0 being RPI_{14}):

$$MAF_Y = £500 * RPI_Y / 253.2917$$

2.3 Maximum Buy-back Price premium (“MBPP”)

The premium will be calculated as (RPI_0 being RPI_{14}):

$$MBBP_Y = 0.034121 * RPI_Y / 253.2917 \quad (\text{expressed in p/(kWh/h)/h})$$