

**Conditions applicable to Interconnector's
Conditional Firm (CF1 – UK to BE) Capacity Product**



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BACKGROUND

Interconnector ("INT") is legally required by the Health and Safety Executive to complete a series of Pipeline Inspections in October 2023 and November 2023.

In order to facilitate legally required Pipeline Inspections, INT may offer Conditional Firm (CF1 – UK to BE) capacity products for GY 2023 in the UK export direction. This will first be offered in the Annual Auction on PRISMA on 03 July 2023.

As per Section I, Paragraph 4 of the Interconnector Access Code ("IAC"), INT may offer Conditional Firm Capacity Products and shall publish the description of the conditions which apply to that Conditional Firm Capacity Product in advance of the offering.

1. COMMITMENT FOR A MINIMUM FLOW RATE

- 1.1 Interconnector's Pipeline Inspection procedure will occur between 01 October ("**Start Date**") and 15 November 2023 ("**End Date**") ("**Inspection Period**").
- 1.2 Holders of Conditional Firm (CF1 – UK to BE) Capacity commit to a Minimum CF1 – UK to BE Flow Rate equal to 100% of their Registered Conditional Firm CF1 – UK to BE Capacity on the Hours of the Gas Day(s) impacted by a Pipeline Inspection ("**Load Flow Commitment**").
- 1.3 Where a Shipper holds a quantity of Registered Firm Capacity at only the Bacton Entry Point or only the Zeebrugge Exit Point that is equal to its Registered Conditional Firm (CF1 – UK to BE) at either the Zeebrugge Exit Point or the Bacton Entry Point, the Registered Firm Capacity shall be deemed as committed to the Minimum CF1 – UK to BE Flow Rate in paragraph 1.2.
- 1.4 The Minimum CF1 – UK to BE Flow Rate is deemed provided if the Shipper's Confirmed Nomination Quantities at the Bacton Connection Point and Confirmed Nomination Quantities at the Zeebrugge Connection Point for every affected Hour of the impacted Gas Day(s) is equal to the Shipper's total Registered Conditional Firm (CF1 – UK to BE) Capacity.

2. ACTIVATION OF A LOAD FLOW COMMITMENT

- 2.1 Interconnector will carry out Pipeline Inspection activities across a maximum of eight (8) twenty four (24) hour periods within the Inspection Period.
- 2.2 Interconnector may call a maximum of eight (8) CF1 – UK to BE Load Flow Commitment requests for a period of twenty-four (24) hours within the Inspection Period.
- 2.3 Interconnector will notify the holders of Conditional Firm (CF1 – UK to BE) Capacity of the minimum total Hourly flow rate in kWh/h required for a given Gas Day(s) with no less than 15 Hours notice.

3. CANCELLATION OF A LOAD FLOW COMMITMENT

- 3.1 Interconnector retains the right to cancel a previously announced Load Flow Commitment for any Gas Day with 15 Hours notice.

4. FAILURE TO PERFORM UNDER A LOAD FLOW COMMITMENT

- 4.1 The Shipper shall not be entitled to refuse, interrupt or be relieved from any liability (as applicable) whatsoever to nominate and deliver the quantities of Natural Gas which have been nominated for delivery at the Bacton Connection Point, except in the case of Force Majeure pursuant to Clause 5 of Appendix A to the IAA.

- 4.2 Where the Shipper does not deliver quantities of Natural Gas equal to 100% of their Registered Conditional Firm (CF1 – UK to BE) Capacity, Interconnector will calculate the difference between:

- (i) the Shipper's Confirmed Nomination Quantities for the Hours of Gas Day D where Interconnector has requested a Minimum CF1 – UK to BE Flow Rate; and
- (ii) the quantity of Natural Gas which represents 100% of the Shipper's Registered Conditional Firm (CF1 – UK to BE) Capacity,

to determine the Shippers "**LFC Imbalance**".

- 4.3 Where the Shipper has an LFC Imbalance, Interconnector will procure the necessary quantity of Natural Gas to remedy the LFC Imbalance.

- 4.4 The Shipper shall be liable for any LFC Imbalance and Interconnector will charge the Shipper for the procurement of transportation services "Transportation Costs" in the AT Systems and for the procurement of Natural Gas to resolve the Shipper's Imbalance ("**LFC Imbalance Charges**").

- 4.5 Where the Shipper has an LFC Imbalance, the Shipper shall use its best endeavours and take all reasonable action to facilitate an arrangement to ensure that Interconnector can meet the Minimum CF1 – UK to BE Flow Rate that equals 100% of the Shipper's Registered Conditional Firm (CF1 – UK to BE) Capacity including but not limited to the surrender of its Registered Capacity and the relevant Capacity held on AT Systems to Interconnector or its Agent for the affected Hours of the impacted Gas Days.

- 4.6 The Monthly Charge including the LFC Imbalance Charge will be invoiced by INT to the Shipper as described in Clause 2 of Appendix A to the IAA.

5. DEFINITIONS

“**Agent**” means a company that Interconnector has contracted and instructed to act on its behalf;

“**AT System**” means the National Transmission System or the Fluxys Belgium Transmission System;

“**End Date**” means the conclusion of the Pipeline Inspections procedures at 06:00 CET on 15 November 2023;

“**Health and Safety Executive**” and “**HSE**” is Britain's national regulator for workplace health and safety;

“**Inspection Period**” has the meaning ascribed thereto in paragraph 1.1;

“**Interconnector Access Agreement**” and “**IAA**” means the agreement between Interconnector and the Shipper for access to the Transportation Services;

“**Interconnector Access Code**” and “**IAC**” means the code published by Interconnector containing provisions governing access to the Transportation Services offered by Interconnector to Shippers;

“**LFC Imbalance Charges**” shall have the meaning ascribed thereto in paragraph 4.4;

“**LFC Imbalance**” shall have the meaning ascribed thereto in paragraph 4.2;

“**Load Flow Commitment**” refers to the commitment made by a Shipper to maintain a Minimum CF1 – UK to BE Flow Rate, in the UK to Belgium flow direction, across a Gas Day, or part thereof, where instructed to do so by Interconnector;

“**Minimum CF1 – UK to BE Flow Rate**” is the Hourly flow rate in kWh/h that the Shipper commits to maintain, equal to 100% of the Shipper's Registered Conditional Firm (CF1 – UK to BE) Capacity on the Gas Days(s) where a Load Flow Commitment has been activated;

“**Pipeline Inspections**” shall mean the interior inspection of the Interconnector Pipeline as required by the HSE;

“**Start Date**” means the commencement of the Pipeline Inspections procedures starting 06:00 CET on 01 October 2023;

“**Transportation Costs**” means all of the associated cost of transporting Natural Gas on Gas Day D outlined by National Gas as operator of the National Transmission System, by Fluxys Belgium SA as the operator of the Fluxys Belgium Transmission System and by Balansys SA as the operator the Balancing System in the Belux market area.