



**Charging Statement
related to the
Interconnector Access Agreement
and
Interconnector Access Code
Issue 57
Applicable from 13 November 2023**

Introduction	3
1. Reserve Prices for Capacity offered via PRISMA for use during the Gas Year 2023-24 and future Gas Years.....	4
1.1 Annual Firm Capacity for Gas Year 2024-25 and future Gas Years	4
1.2 Quarterly Firm Capacity for Gas Year 2023-24.....	4
1.3 Monthly Firm Capacity for Gas Year 2023-24	5
1.4 Daily Firm Capacity for Gas Year 2023-24	5
1.5 Within Day Firm Capacity for Gas Year 2023-24	6
2. Prices for Firm Capacity offered via Implicit Allocation for use during the Gas Year 2023-24 and future Gas Years	6
2.1 Annual Firm Capacity.....	6
2.2 Seasonal Firm Capacity	7
2.3 Quarterly Firm Capacity	7
2.4 Monthly Firm Capacity	7
2.5 Balance of Month Firm Capacity ("BOM")	8
2.6 Half Month Firm Capacity	8
2.7 Working Days Next Week Firm Capacity ("WDNW").....	8
2.8 Weekend Firm Capacity ("WE").....	9
2.9 Daily Firm Capacity ("DA")	9
3. Booking Incentives.....	9
3.1 Annual Capacity Structures.....	10
3.2 Lowest Price Guarantee	12
3.3 Seasonal Capacity Structures	12
4. Conditional Firm Capacity Products	13
5. Interruptible Capacity Products	13
5.1 Standard Interruptible Capacity Products	13
5.2 Implicit Allocation of Annual Interruptible Capacity.....	14
5.3 Overnomination Capacity Products.....	14
6. Commodity Charge.....	14
6.1 Commodity Charges for Gas Year 2023-24	14
6.2 Belgian Demand Response Events.....	15
7. Monthly Administration Fee.....	15
8. Maximum Buy-back Price.....	15
9. Forced Buy-back Price	16

10. Net OS Revenue Account.....	16
11. Balancing Charges.....	16
Appendix 1 – Indexation.....	17
1 Indexation Factor.....	17
2 Application.....	18
2.1 Contracted Capacity Price.....	18
2.2 Monthly Administration Fee (“MAF”).....	18
2.3 Maximum Buy-back Price premium (“MBPP”)	18
Appendix 2 – Prices of Balance of Month Firm Capacity	19
Appendix 3 – Prices of Half Month Firm Capacity.....	21
Appendix 4 - Prices of Working Days Next Week Capacity	22
Appendix 5 – Prices of Weekend Capacity.....	23

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

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".

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.

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.

1. Reserve Prices for Capacity offered via PRISMA for use during the Gas Year 2023-24 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 2024-25 and future Gas Years

The prices to apply are as follows:

		2024-25 to 2037-38
		p/(kWh/h)/h
UK to BE	Bacton Entry	0.032927
	Zeebrugge Exit	0.032927
BE to UK	Zeebrugge Entry	0.032927
	Bacton Exit	0.032927

Annual firm capacity prices are fixed for GY 2024-25. For Gas Year 2025-26 and beyond, 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.

1.2 Quarterly Firm Capacity for Gas Year 2023-24

The prices to apply are as follows:

		Jan 24 – Mar 24 Q1 2024	Apr 24 – Jun 24 Q2 2024	Jul 24 – Sep 24 Q3 2024
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.048452	0.048452	0.048452
	Zeebrugge Exit	0.048452	0.048452	0.048452
BE to UK	Zeebrugge Entry	0.048452	0.048452	0.048452
	Bacton Exit	0.048452	0.048452	0.048452

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 2023-24

The prices to apply are as follows:

		Dec 23	Jan 24	Feb 24	Mar 24
		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
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243

		Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
		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 2023-24

The prices to apply are as follows:

		Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
		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
	Zeebrugge Exit	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
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364

		Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
		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 2023-24

The prices to apply are as follows:

		Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
		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
	Zeebrugge Exit	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
	Bacton Exit	0.102364	0.102364	0.102364	0.102364	0.102364

		Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
		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 2023-24 and future Gas Years

Annual, Seasonal and Quarterly Prices (incl. when covered by incentives) are subject to indexation from Gas Year 2024-2025 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:

		2024-25 to 2037-38
		p/(kWh/h)/h
UK to BE	Bacton Entry	0.032927
	Zeebrugge Exit	0.032927
BE to UK	Zeebrugge Entry	0.032927
	Bacton Exit	0.032927

Annual firm capacity prices are fixed for GY 2024-25. For Gas Year 2025-26 and beyond, these prices are subject to indexation in accordance with Section F paragraph 5.3 of the Interconnector Access Code. See Appendix 1 for an example of how indexation is applied.

2.2 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 24 – Mar 25 To Oct 37 – Mar 38 p/(kWh/h)/h	Apr 24 – Sep 24 To Apr – Sep 38 p/(kWh/h)/h
UK to BE	Bacton Entry	0.043675	0.043675
	Zeebrugge Exit	0.043675	0.043675
BE to UK	Zeebrugge Entry	0.043675	0.043675
	Bacton Exit	0.043675	0.043675

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. For capacity purchased for Gas Year 2025-26 and beyond, these prices are subject to indexation in accordance with Section F paragraph 5.3 of the Interconnector Access Code. See Appendix 1 for an example of how indexation is applied.

2.3 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:

		Q4 2024 to Q4 2037 p/(kWh/h)/h	Q1 2024 to Q1 2038 p/(kWh/h)/h	Q2 2024 to Q2 2038 p/(kWh/h)/h	Q3 2024 to Q3 2038 p/(kWh/h)/h
UK to BE	Bacton Entry	0.048452	0.048452	0.048452	0.048452
	Zeebrugge Exit	0.048452	0.048452	0.048452	0.048452
BE to UK	Zeebrugge Entry	0.048452	0.048452	0.048452	0.048452
	Bacton Exit	0.048452	0.048452	0.048452	0.048452

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. For capacity purchased for Gas Year 2025-26 and beyond, these prices are subject to indexation in accordance with Section F paragraph 5.3 of the Interconnector Access Code. See Appendix 1 for an example of how indexation is applied.

2.4 Monthly Firm Capacity

Capacity may be offered for any of the following eight months. The prices to apply for all months of GY 2023 – 24 are as follows:

		Dec 23 p/(kWh/h)/h	Jan 24 p/(kWh/h)/h	Feb 24 p/(kWh/h)/h	Mar 24 p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.068243	0.068243	0.068243	0.068243

		Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
		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.

See Appendix 2 for the prices to be applied for Q4 23.

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 market².

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

See Appendix 3 for the prices to be applied for Q4 -23.

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.

² 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.

See Appendix 4 for the prices to be applied for Q4-23.

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.

See Appendix 5 for the prices to be applied for Q4-23.

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.

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 comprising of Firm, Conditional Firm or Interruptible Capacity Products.
- e) Capacity acquired through Secondary Trading may not be used with any of Interconnector's Booking Incentives.
- f) All the required components of a specific structure must be purchased within 2 weeks of each other.
- g) As an exception to f), Shippers who are booking the components required to form the Ten Year Bi-directional Annual Capacity Structure must do so before the start of the first Gas Year included within the structure³.

³ For example a Shipper must hold all components of a 10 Year Bi-directional Annual Capacity Structure beginning on 1 October 2024 by 30 September 2024. For a 1 October 2025 start date, the deadline would be 30 September 2025 etc.

- h) A Shipper may only contract an Annual Interruptible Capacity Product via Implicit Allocation if this Capacity is being used towards an Annual Capacity Structure of 10 or more successive Gas Years (as defined in paragraph 3.1a) or towards a Ten Year Bi-directional Annual Capacity Structure (as defined in paragraph 3.1b).
- i) To be eligible to purchase Annual Interruptible Capacity via Implicit Allocation, the Shipper must ensure that the lowest matching volume across each Gas Year within either Structure in h) is equivalent to at least the volume of Annual Interruptible Capacity requested. INT's IAM Partners will facilitate the Shipper in ensuring this is the case prior to concluding a Capacity Transaction of Annual Interruptible Capacity.
- j) Interconnector may withdraw the offering of booking incentives at any time. Interconnector may amend the conditions of the booking incentives for applicable future Capacity Transactions with one week's notice.

3.1 Annual Capacity Structures

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 2024-25 until Gas Year 2037-38 will be considered eligible for this incentive.

INT is offering Annual Interruptible Capacity Products via IAM for use towards an Annual Capacity Structure of 10 or more Successive Gas Years.

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

		1-2 Successive Gas Years (GY24-GY37)	3 – 4 Successive Gas Years (GY24-GY37)	5-6 Successive Gas Years (GY24-GY37)	7 or more Successive Gas Years (GY24-GY37)
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.032927*	0.029003*	0.025591*	0.022179*
	Zeebrugge Exit	0.032927*	0.029003*	0.025591*	0.022179*
BE to UK	Zeebrugge Entry	0.032927*	0.029003*	0.025591*	0.022179*
	Bacton Exit	0.032927*	0.029003*	0.025591*	0.022179*

*Indexation is applied to the base tariff such that RPI_0^4 is equal to RPI_{22}^5

B) Ten Year Bi-directional Annual Capacity Structure

Capacity Transactions which include 10 or more successive Annual Capacity Products in both physical flow directions can qualify for a Ten Year Bi-directional Annual Capacity

⁴ As defined in Appendix 1.

⁵ For example, if an Annual Capacity Structure of 10 or more successive Gas Years is finalised in GY23 with a start date of 01/10/2024, the base tariff will be subject to indexation with the same parameters as if it had been booked during GY22 and indexation will begin from GY24.

Structure when booked before the start of the first Gas Year in which the incentive applies.

INT is offering Annual Interruptible Capacity Products via IAM for use within this Ten Year Bi-directional Annual Capacity Structure.

Annual Capacity booked for Gas Year 2024-25 onwards will be considered for this incentive, including existing eligible Annual Capacity Transactions from Gas Year 2024 onwards.

Any already booked capacity which does not fall within this incentive will remain at the tariff level applicable at the time of booking. Where a Shipper holds matching quantities of Annual Capacity Products in both physical flow directions for the same 10 or more successive Gas Years the following prices will be applied if the above criteria is also met:

		GY 24-GY 27	GY 28 onwards (GY 28 – 37)
		p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.054596*	0.013649*
	Zeebrugge Exit		0.013649*
BE to UK	Zeebrugge Entry		0.013649*
	Bacton Exit		0.013649*

*Indexation is applied to the base tariff such that RPI_0^6 is equal to RPI_{22}^7 .

For GY24 – 27 the incentive will be applied to the UK to BE flow direction on a Shipper by Shipper basis such that the combined price is the same for all Shippers. For GY 28 onwards, the tariff structure will be adjusted such that the incentive is applied equally across each flow direction.

Where a Shipper has formed a Ten Year Bi-directional Capacity Structure which includes Interruptible Capacity, the Interruptible Capacity will receive a 10% discount from the tariffs listed above.

C) 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 Exit⁸ 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 0.029003p/(kWh/h)/h).

⁶ As defined in Appendix 1.

⁷ For example, if a Ten Year Bi-Directional Annual Capacity Structure is finalised in GY23 with a start date of 01/10/2024, the base tariff will be subject to indexation with the same parameters as if it had been booked during GY22 and indexation will begin from GY24.

D) 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 Firm Annual Capacity Products under the Annual Capacity Structure or the Ten Year Bi-Directional Capacity Structure they will benefit from the lowest price guarantee as defined in the Interconnector Charging Methodology (paragraph 2.2.4).

Where capacity which has qualified for a lowest price guarantee is subsequently allocated to another Shipper via Secondary Trading, the lowest price guarantee is retained by the original Shipper and not passed to the new holder unless 5 or more successive Annual Capacity products have been acquired.

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 applied⁹;
- 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. Conditional Firm Capacity Products

In order to facilitate legally required Pipeline Inspections, INT may offer Conditional Firm (CF1 - UK to BE) capacity products at the Bacton Entry Connection Point and Zeebrugge Exit Connection Point (UK to BE flow direction).

As per Clause 4 of the IAC, the terms and conditions applied to the Conditional Firm (CF1 – UK to BE) product are published here: https://www.fluxys.com/en/natural-gas-and-biomethane/empowering-you/terms-conditions/tandc_interconnector

- The applicable capacity tariffs will be the same as those for the corresponding Firm products.

5. Interruptible Capacity Products

5.1 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 interrupted¹⁰.

¹⁰ In last 10 years there have been few interruptions to firm capacity rights as shown in the table below:

Year	Hours Lost	Hours in Year
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
2021/22	655	8,760
2022/23	88	8,760
Total (10 years)	789	87,647

Whilst this suggests a very low discount relative to standard firm products, given Interconnector is a single asset without access to a wider system, there is a higher risk of interruption than suggested by looking at just historical hours lost. Interconnector has hence rounded the discount to 10%.

5.2 Implicit Allocation of Annual Interruptible Capacity

INT is offering Annual Interruptible Capacity Products via Implicit Allocation for exclusive use within an Annual Capacity Structure of 10 or more successive Gas Years (paragraph 3.1 (a)) or a Ten Year Bi-directional Annual Capacity Structure (paragraph 3.1 (b)).

5.3 Overnomination Capacity Products

Overnomination, as described in Section B Paragraph 1.4(c) of the IAC, is a mechanism through which INT can offer within day Interruptible capacity after the conclusion of the daily Interruptible auction and when all offered firm capacity is booked. Overnomination capacity would only be made available when the nominated flow for the current gas day is less than 100% of the firm capacity. The Overnomination Capacity price will be at a 10% discount to the corresponding standard within day firm product.

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 2023-24

The commodity unit costs to be applied are calculated using the following formulae:

Commodity Unit Cost (Bacton) (GB to BE flow) in p/kWh = $0.015778611 + [0.0001297 * \text{ICIS Day-Ahead NBP Price Assessment (p/th)}]$

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 UKT¹¹ on the preceding Gas Day¹², 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.

¹¹ Where the day is the final working day immediately preceding 25 December and 1 January, the prices will be assessed at 12:00 UKT.

¹² 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.

6.2 Belgian Demand Response Events

Upon receipt of a demand response notification for the next calendar day, INT will notify the market via its website and via an Urgent Market Message (UMM), indicating the hours during which the demand response will occur.

The duration of a demand response event will be:

- (a) 3 consecutive hours; and
- (b) a second possible activation of a further 3 consecutive hours on days for which:
 - (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).

INT will interrupt all of a Shipper's Interruptible Registered Capacity at the Zeebrugge Entry Point during a Gas Day affected by a demand response event. If a Shipper wishes to use its Interruptible Registered Capacity during a Gas Day affected by a demand response event, it must inform INT via e-mail (operations@interconnector.com) no later than one (1) hour following INT's notification of the demand response event to the market.

On a Gas Day affected by a demand response event, INT will incur electricity costs during the demand response event at the negative imbalance tariff as published by the Belgian electricity transmission grid operator (<http://www.elia.be/en/grid-data/balancing/imbalance-prices>). INT will allocate such electricity costs arising on a Gas Day affected by a demand response event to holders of Registered Interruptible Capacity that wish to use their Interruptible Registered Capacity, through a Supplementary Commodity Charge which is pro-rated to the sum of their Entry Allocations at the Zeebrugge Entry Point.

7. Monthly Administration Fee

The Monthly Administration Fee payable by each Shipper under an IAA during the Gas Year 2023-24 is £712. 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

0.048579/(kWh/h)/h for Gas Year 2023-24. 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
2021-22	305.5	307.4	308.6	312	314.3	317.7	317.7	320.2	323.5	334.6	337.1	340	319.8833	RPI ₂₂
2022-23	343.2	345.2	347.6	356.2	358.3	360.4	360.3	364.5	367.2	372.8	375.3	376.4	360.61667	RPI ₂₃

2 Application

2.1 Contracted Capacity Price

Example : calculation of the indexed Contracted Capacity Price in Gas Year 2023-24

Suppose Annual Capacity (Entry or Exit) was allocated in the auction in July 2017 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 2023:

The indicative payable price for Gas Year 2023-24 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	
2022-23	CCP_{22}	$CCP_{16} \times IF_{22}$	$RPI_{22} = 319.883$	1.228588	0.023057	
2023-24	CCP_{23}	$CCP_{16} \times IF_{23}$	$RPI_{23} = 360.6167$	1.385034	0.025993	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}):

$$MAF_Y = \text{£}500 * RPI_Y / 253.2917$$

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

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

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

Appendix 2 – Prices of Balance of Month Firm Capacity

The prices to apply are as follows:

November 2023

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
31/10/2023	02/11/2023	29	0.075067	0.075067	0.075067	0.075067
01/11/2023	03/11/2023	28	0.075067	0.075067	0.075067	0.075067
02/11/2023	04/11/2023	27	0.075067	0.075067	0.075067	0.075067
03/11/2023	06/11/2023	25	0.075067	0.075067	0.075067	0.075067
04/11/2023	Not offered	Not offered				
05/11/2023	Not offered	Not offered				
06/11/2023	08/11/2023	23	0.076032	0.076032	0.076032	0.076032
07/11/2023	09/11/2023	22	0.076895	0.076895	0.076895	0.076895
08/11/2023	10/11/2023	21	0.077945	0.077945	0.077945	0.077945
09/11/2023	11/11/2023	20	0.079159	0.079159	0.079159	0.079159
10/11/2023	13/11/2023	18	0.081982	0.081982	0.081982	0.081982
11/11/2023	Not offered	Not offered				
12/11/2023	Not offered	Not offered				
13/11/2023	15/11/2023	16	0.085179	0.085179	0.085179	0.085179
14/11/2023	16/11/2023	15	0.086860	0.086860	0.086860	0.086860
15/11/2023	17/11/2023	14	0.088565	0.088565	0.088565	0.088565
16/11/2023	18/11/2023	13	0.090271	0.090271	0.090271	0.090271
17/11/2023	20/11/2023	11	0.093593	0.093593	0.093593	0.093593
18/11/2023	Not offered	Not offered				
19/11/2023	Not offered	Not offered				
20/11/2023	22/11/2023	9	0.096639	0.096639	0.096639	0.096639
21/11/2023	23/11/2023	8	0.098000	0.098000	0.098000	0.098000
22/11/2023	24/11/2023	7	0.099224	0.099224	0.099224	0.099224
23/11/2023	25/11/2023	6	0.100286	0.100286	0.100286	0.100286
24/11/2023	27/11/2023	4	0.101832	0.101832	0.101832	0.101832
25/11/2023	Not offered	Not offered				
26/11/2023	Not offered	Not offered				
27/11/2023	29/11/2023	2	0.102364	0.102364	0.102364	0.102364
28/11/2023	30/11/2023	1	0.102364	0.102364	0.102364	0.102364
29/11/2023	Not offered	Not offered				
30/11/2023	Not offered	Not offered				

December 2023

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
30/11/2023	02/12/2023	30	0.075067	0.075067	0.075067	0.075067
01/12/2023	04/12/2023	28	0.075067	0.075067	0.075067	0.075067
02/12/2023	Not offered	Not offered				
03/12/2023	Not offered	Not offered				
04/12/2023	06/12/2023	26	0.075067	0.075067	0.075067	0.075067
05/12/2023	07/12/2023	25	0.075067	0.075067	0.075067	0.075067
06/12/2023	08/12/2023	24	0.075958	0.075958	0.075958	0.075958
07/12/2023	09/12/2023	23	0.076759	0.076759	0.076759	0.076759
08/12/2023	11/12/2023	21	0.078867	0.078867	0.078867	0.078867
09/12/2023	Not offered	Not offered				
10/12/2023	Not offered	Not offered				
11/12/2023	13/12/2023	19	0.081513	0.081513	0.081513	0.081513
12/12/2023	14/12/2023	18	0.082986	0.082986	0.082986	0.082986
13/12/2023	15/12/2023	17	0.084531	0.084531	0.084531	0.084531
14/12/2023	16/12/2023	16	0.086128	0.086128	0.086128	0.086128
15/12/2023	18/12/2023	14	0.089397	0.089397	0.089397	0.089397
16/12/2023	Not offered	Not offered				
17/12/2023	Not offered	Not offered				
18/12/2023	20/12/2023	12	0.092628	0.092628	0.092628	0.092628
19/12/2023	21/12/2023	11	0.094177	0.094177	0.094177	0.094177
20/12/2023	22/12/2023	10	0.095655	0.095655	0.095655	0.095655
21/12/2023	23/12/2023	9	0.097041	0.097041	0.097041	0.097041
22/12/2023	27/12/2023	5	0.101257	0.101257	0.101257	0.101257
23/12/2023	Not offered	Not offered				
24/12/2023	Not offered	Not offered				
25/12/2023	Not offered	Not offered				
26/12/2023	Not offered	Not offered				
27/12/2023	29/12/2023	3	0.102364	0.102364	0.102364	0.102364
28/12/2023	30/12/2023	2	0.102364	0.102364	0.102364	0.102364
29/12/2023	Not offered	Not offered				
30/12/2023	Not offered	Not offered				
31/12/2023	Not offered	Not offered				

Appendix 3 – Prices of Half Month Firm Capacity

The prices to apply are as follows:

Month	Product Type	Capacity Duration	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
Nov-23	Front Half	01/11-15/11/2023	0.086860	0.086860	0.086860	0.086860
	Back Half	16/11-30/11/2023	0.086860	0.086860	0.086860	0.086860
Dec-23	Front Half	01/12-15/12/2023	0.087757	0.087757	0.087757	0.087757
	Back Half	16/12-31/12/2023	0.086128	0.086128	0.086128	0.086128

Appendix 4 - Prices of Working Days Next Week Capacity

The prices to apply are as follows:

Week	Capacity Start Date	Capacity End Date	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
45	06/11/2023	10/11/2023	0.101163	0.101163	0.101163	0.101163
46	13/11/2023	17/11/2023	0.101163	0.101163	0.101163	0.101163
47	20/11/2023	24/11/2023	0.101163	0.101163	0.101163	0.101163
48	27/11/2023	01/12/2023	0.101182	0.101182	0.101182	0.101182
49	04/12/2023	08/12/2023	0.101257	0.101257	0.101257	0.101257
50	11/12/2023	15/12/2023	0.101257	0.101257	0.101257	0.101257
51	18/12/2023	22/12/2023	0.101257	0.101257	0.101257	0.101257
52	27/12/2023	29/12/2023	0.102364	0.102364	0.102364	0.102364

Appendix 5 – Prices of Weekend Capacity

The prices to apply are as follows:

Week	Capacity Start Date	Capacity End Date	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	Week	Capacity Start Date
45	11/11/2023	12/11/2023	0.102364	0.102364	0.102364	0.102364
46	18/11/2023	19/11/2023	0.102364	0.102364	0.102364	0.102364
47	25/11/2023	26/11/2023	0.102364	0.102364	0.102364	0.102364
48	02/12/2023	03/12/2023	0.102364	0.102364	0.102364	0.102364
49	09/12/2023	10/12/2023	0.102364	0.102364	0.102364	0.102364
50	16/12/2023	17/12/2023	0.102364	0.102364	0.102364	0.102364
51	23/12/2023	26/12/2023	0.101875	0.101875	0.101875	0.101875
52	30/12/2023	31/12/2023	0.102364	0.102364	0.102364	0.102364