



Interconnector Limited

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All Stakeholders,

13 April 2023

Dear Stakeholder,

INT Pipeline Inspection procedure scheduled for October 2023

Interconnector is legally required by the Health and Safety Executive to carry out a Pipeline Inspection; the procedure comprises sending pipeline inspection gauges through the Interconnector Pipeline to examine the condition of the asset. This maintenance has been deferred from 2022 until October 2023 to accommodate the sustained high flows to the Continent to contribute to the filling of storage and Security of Supply following the war in Ukraine.

For operational reasons, and in order to accurately collect data, the pipeline inspection gauges (see Appendix A) need to pass through the pipeline at a steady rate. Any deviation from this rate could result in insufficient data being collected and the procedure needing to be repeated.

The maintenance therefore requires a minimum physical gas flow equivalent to 40% of the Technical Capacity in the UK to Belgian flow direction across approximately 8, 24 hour periods. Given the current market conditions and the forecast demand levels, INT anticipates that the UK export capacity already booked for October 2023 will be utilised during this period.

Acting as a Reasonable and Prudent Operator, INT has launched a Request for Participation to secure a Load Flow Commitment from Shippers holding Registered Bacton Entry Capacity and Zeebrugge Exit Capacity (i.e. UK to BE flow direction) during October 2023, to ensure an Aggregated Minimum Flow Rate can be achieved on the Gas Days where a Pipeline Inspection will take place. The minimum flow through the Interconnector on the Gas Days where a Pipeline Inspection will occur is 11.1 GWh/h in the UK to BE flow direction. For operational reasons and to control the velocity of the pipeline gauges, the flow rate also cannot exceed 15 GWh/h. This equates to 55% of the Technical Capacity in the UK to BE flow direction. In the BE to UK flow direction, the flow rate will be constrained to 0 GWh/h on these Gas Days.

Request for Participation

INT has today launched a Request for Participation ("RFP") in a Load Flow Commitment process to secure the necessary flow rates for the Gas Days where a Pipeline Inspection will occur; initially 3-4 24 hour periods with a contingency of an additional 3-4 24 hour periods. The Gas Days where a Pipeline Inspection occurs will be classified as Maintenance Days in accordance with Section I, Paragraph 5 of the Interconnector Access Agreement (IAC).

INT's Pipeline Inspection procedure will take place between 01 October 2023 ("Start Date") and 15 November 2023 ("End Date") ("Inspection Period") with the first inspection planned for 02 October 2023.

This RFP is open to Shippers who already hold Registered Capacity in the UK export direction during the month of October 2023. Shippers who wish to utilise their capacity during the Inspection Period should submit a Confirmation of Participation to INT confirming that on the Gas Days where there is a Pipeline Inspection they will nominate a flat hourly rate.

On Gas Days impacted by a Pipeline Inspection, INT will be operating between specific minimum and maximum flow rates. Here, a full rebate will be applied against the portion of Registered Capacity which has been constrained. As no UK Import (BE to UK) capacity will be available for utilisation on these days, Shippers holding capacity in this flow direction will also receive a full rebate against the portion of Registered Capacity which has been constrained (IAC Section I paragraph 5.5).

Additionally, INT may need to operate at reduced flow rates during the full Inspection Period.

Registered Capacity which has not been committed to the Load Flow Commitment may be constrained ahead of Registered Capacity which has been committed if the associated nomination takes INT's total flow above the permitted flow rate, as per the System Constraint provisions of the IAC (Section I paragraph 2).

Following the close of the RFP on 09 May 2023, INT will confirm to the market by 15 May 2023 whether sufficient commitments have been received for the Aggregated Minimum Flow Rate required to facilitate this maintenance.

Secondary Commitment

If the required Load Flow Commitment to achieve the Aggregated Minimum Flow Rate has not been achieved, INT may offer its remaining Firm Capacity in the UK to BE flow direction as Conditional Firm Capacity in the Annual PRISMA Auction for Gas Year 2023/24 in July 2023.

The condition attached to this capacity is a commitment, from each Shipper that secures Conditional Firm Capacity in the Annual PRISMA Auction, to a Minimum Flow Rate on the Gas Days where a Load Flow Commitment is activated. Such capacity will therefore be considered as committed to the Load Flow Commitment and will, if needed, be constrained after Registered Capacity which has not been committed.

More details will be provided should the Aggregated Minimum Flow Rate not be achieved.

Next Steps

If you wish to clarify any aspect in relation to this letter or have any questions please contact Sarah Cooper on +44 (0) 20 3621 7856 or sarah.cooper@interconnector.com or Lee Millard via lee.millard@interconnector.com.

Yours faithfully,

Sarah Cooper

Commercial Manager

Appendix A: Images of Pipeline Inspection Gauges taken from Interconnector's 2016 Pipeline Inspection Procedure.



Image 1 = Profile Gauge



Image 2 = Cleaning Gauge



Image 3 = Main Inspection Gauge