

bbl company

gasunie
transport services

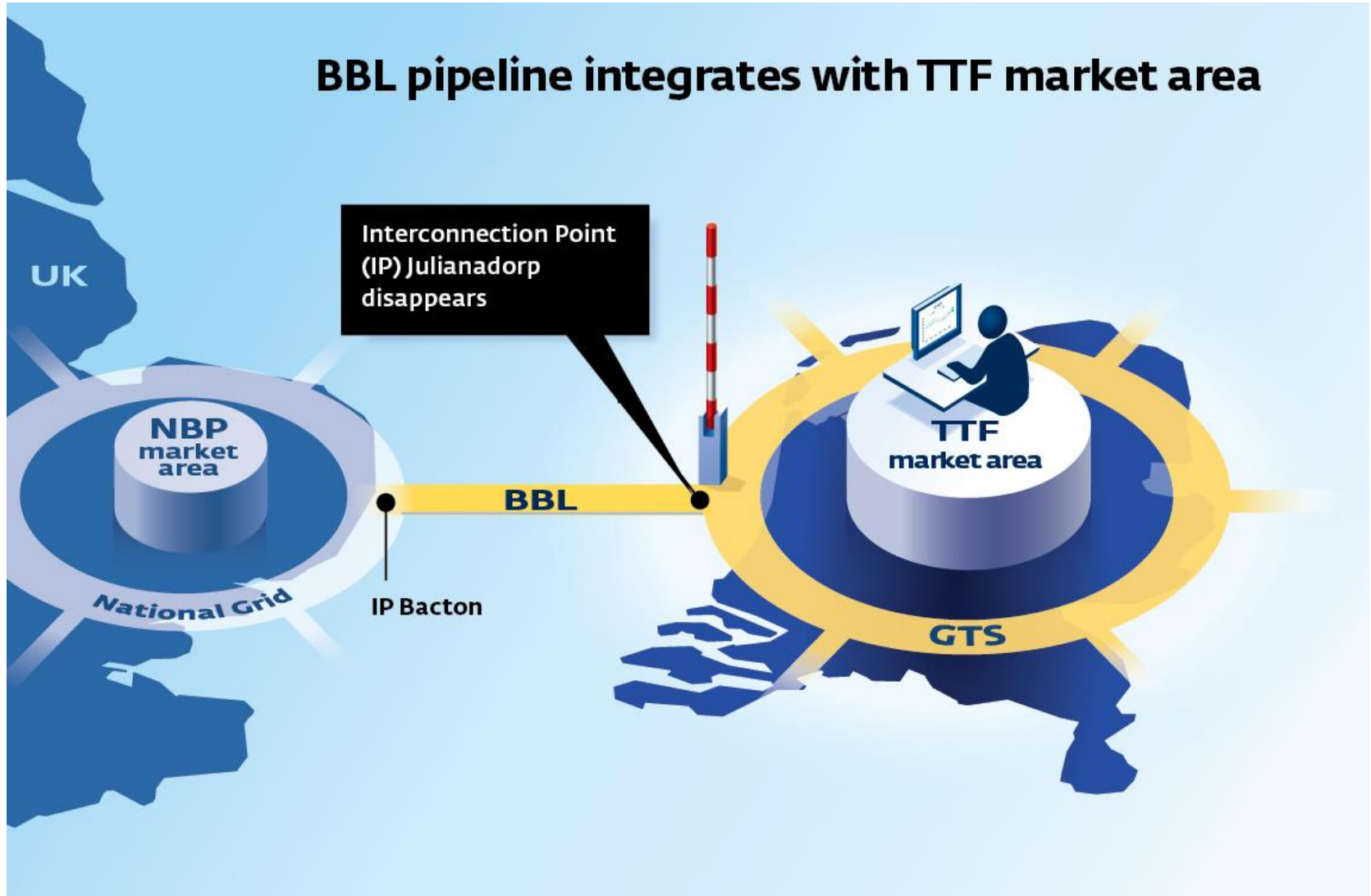


BBLC and GTS bring
TTF and NBP closer
together

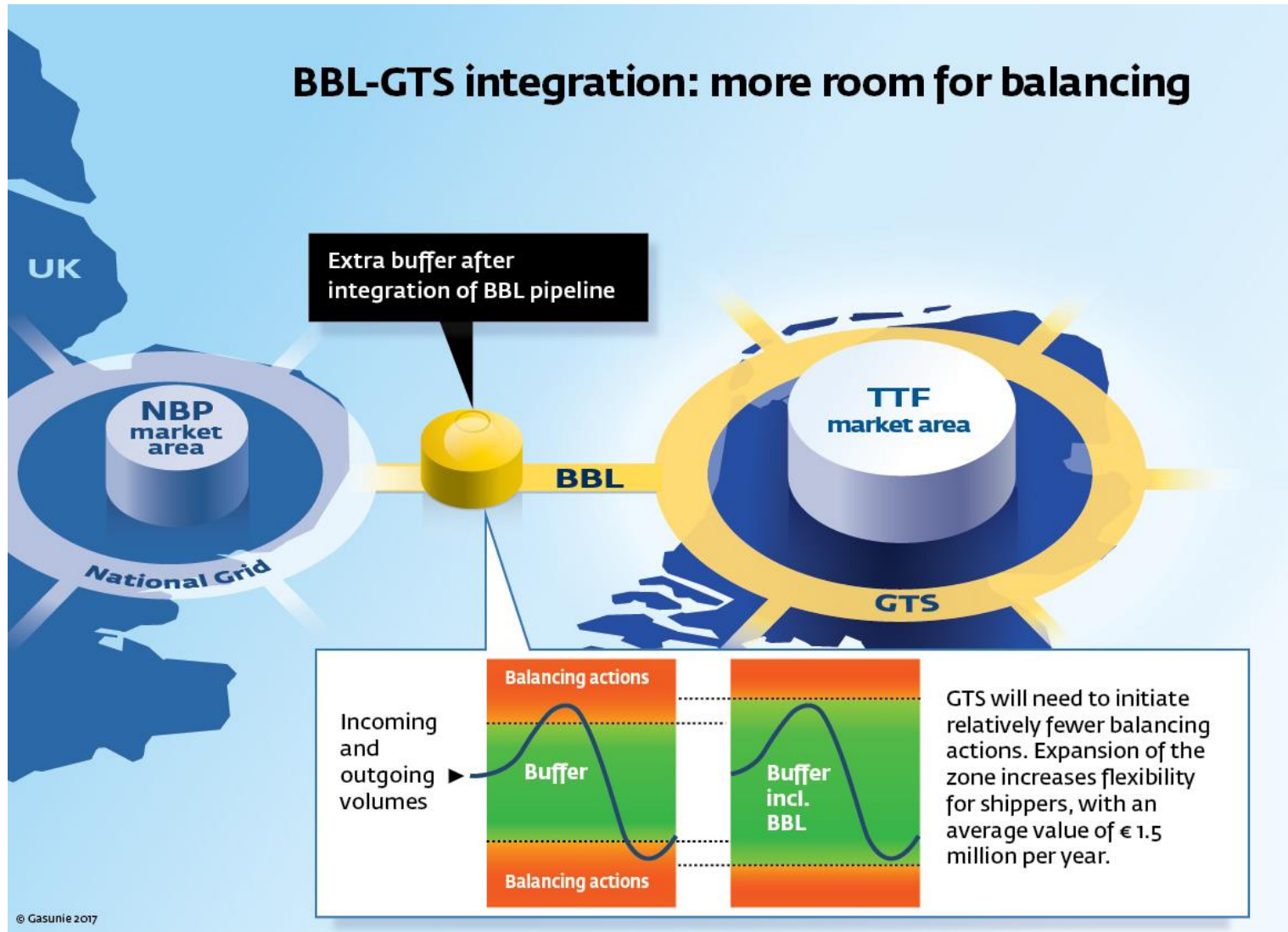
“BBL interconnector merger
with TTF market Area”

23 May 2017

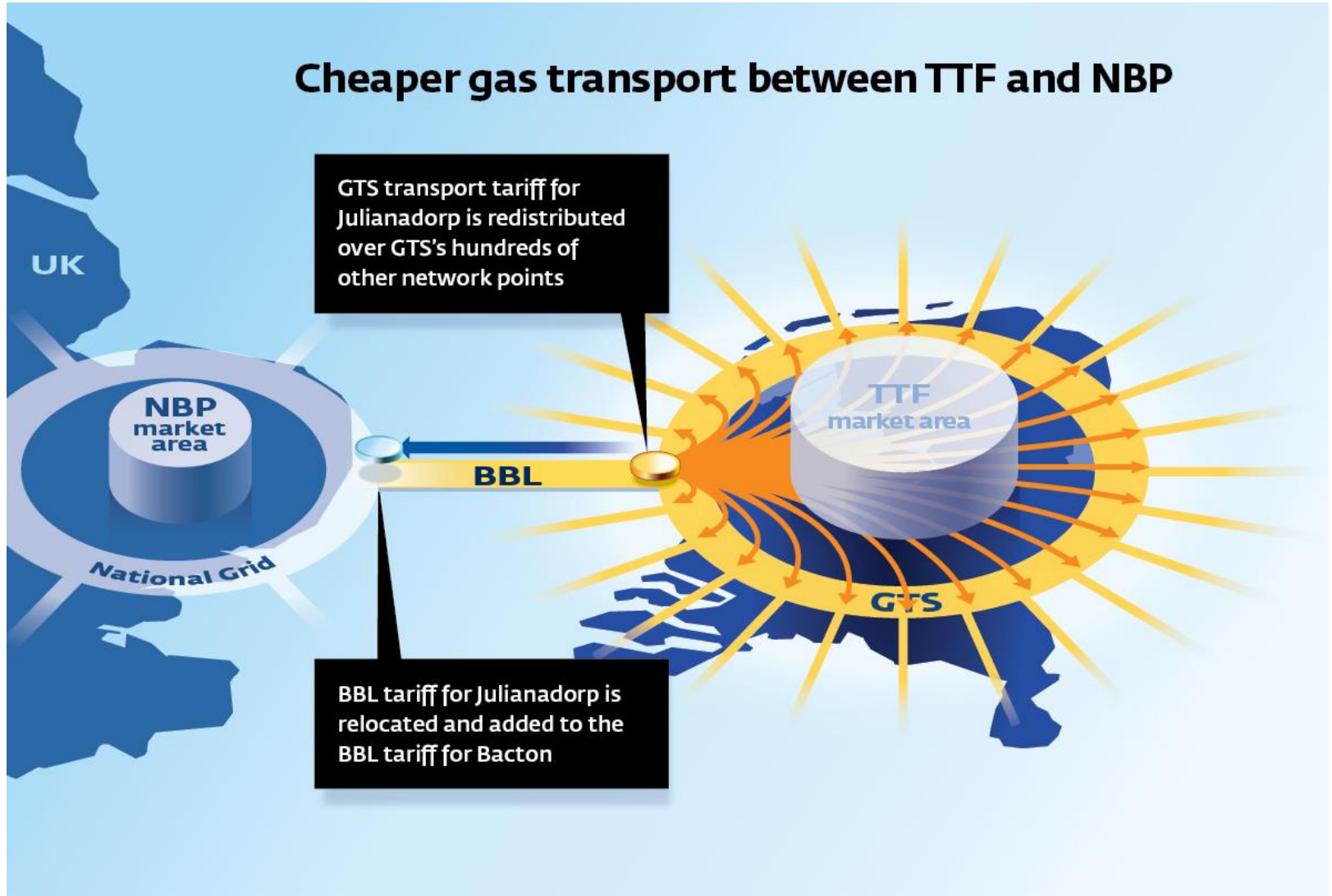
BBL pipeline integrates with TTF market area



BBL-GTS integration: more room for balancing



Cheaper gas transport between TTF and NBP



Cost and Benefit analysis

Benefits

- Easier to contract, nominate, transport gas between TTF and NBP
- Enhanced liquidity TTF
- Improved arbitrage opportunities (2,5 mln. EUR/year average)
- Lower balancing costs TTF market area (1,5 mln. EUR/year)
- Licensing procedure GTS and BBL simplified
- BBL shippers can directly trade at the TTF
- Route NL-UK (and TTF market area) more competitive and attractive

Costs

- IT implementation costs (1,5 mln once + 0,075 mln. EUR/year)

Benefits - costs over 20 years

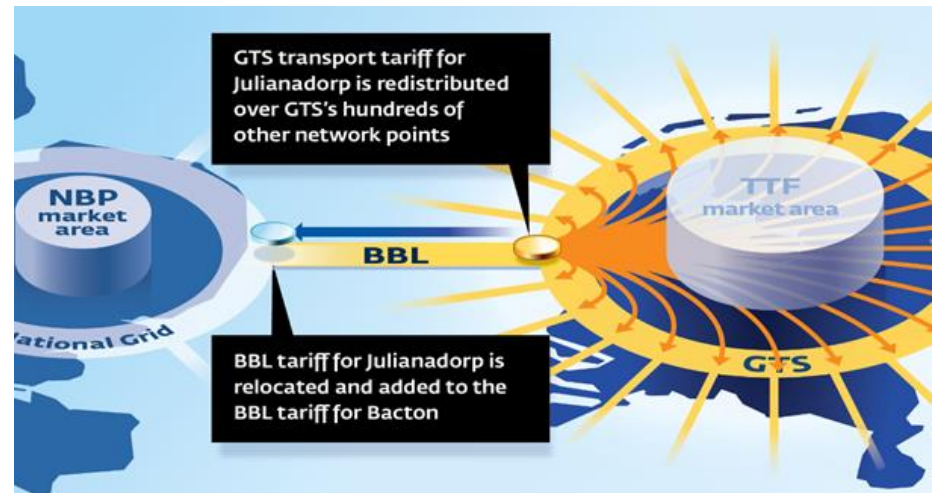
- **45 mln. EUR**

Effect on IP Julianadorp

- IP Julianadorp disappears as a commercial entry and exit point
- IP Julianadorp will no longer be a bookable network point on Prisma
- No nominations needed from the 1st January 2018 at IP Julianadorp
- Transparency information will not be published any more from 1st January onward on
- Historical transparency information will be available until end of 2018 at least
- IP Julianadorp will continue to be a physical connection and will be referred to as Connection Point Julianadorp

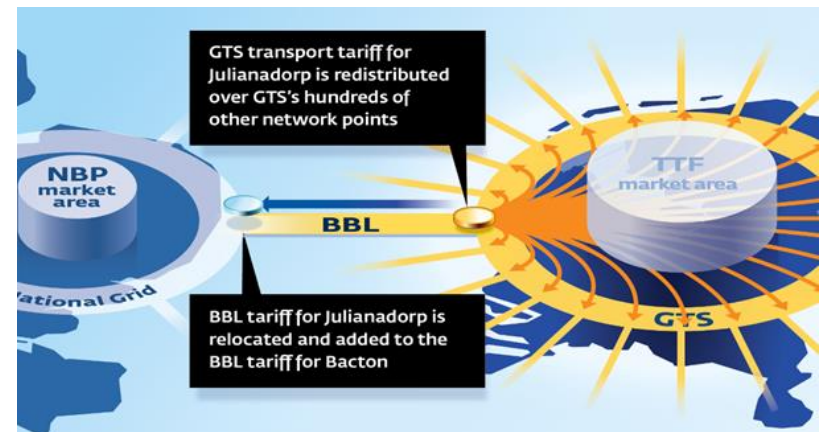
BBL Transmission tariffs

- The new exit tariff for the Bacton exit will be the sum of the existing Julianadorp entry tariff and the Bacton exit tariff.
- This new tariff will be the reserve price for the auctions of exit capacity at IP Bacton.
- Reversed flow entry will continue to be auctioned at a zero reserve price.



GTS Transmission tariffs

- Redistribution of allowed revenues of Julianadorp via the remaining GTS entry- and exitpoints
- Based on the figures of 2017 GTS calculated the expected effects of the redistribution of the Julianadorp allowed revenues
- Based on the redistribution of the allowed revenues of Julianadorp GTS expects the transmission tariffs to rise with about 1,2 % on the remaining entry- and exitpoints



Products and Capacity

- GTS will no longer offer any products at IP Julianadorp
- The “bundled” capacity which can be made available at Connection point Julianadorp will be offered at IP Bacton
- BBLC will offer its products via the PRISMA platform
- The resolution of the Firm and Interruptible products is: yearly, quarterly, monthly, daily and within day
- In case of additional market demand, the incremental capacity process will be started by BBLC and GTS

Capacity at IP Bacton per 1-1-2018

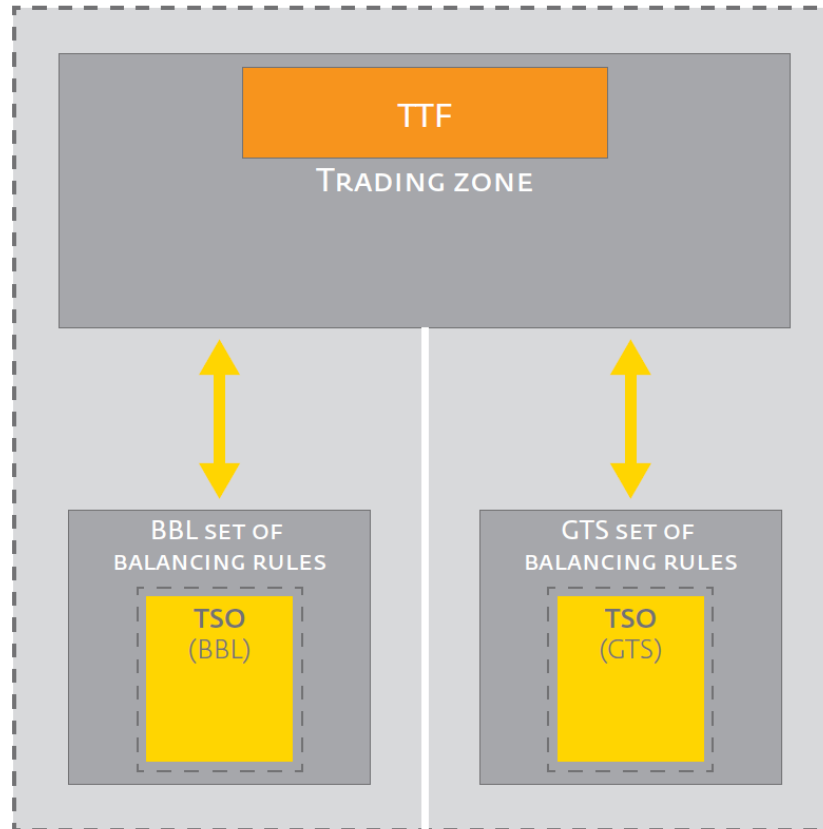


Firm	Firm	Interruptible	OSC max	
20.6	12.5	8.1		Yearly capacity GWh/h
20.6	12.5	8.1		Quarterly capacity GWh/h
20.6	20.6**			Monthly capacity GWh/h
20.6	20.6**		Max 15%*	Daily capacity GWh/h
20.6	20.6**			Within Day capacity GWh/h

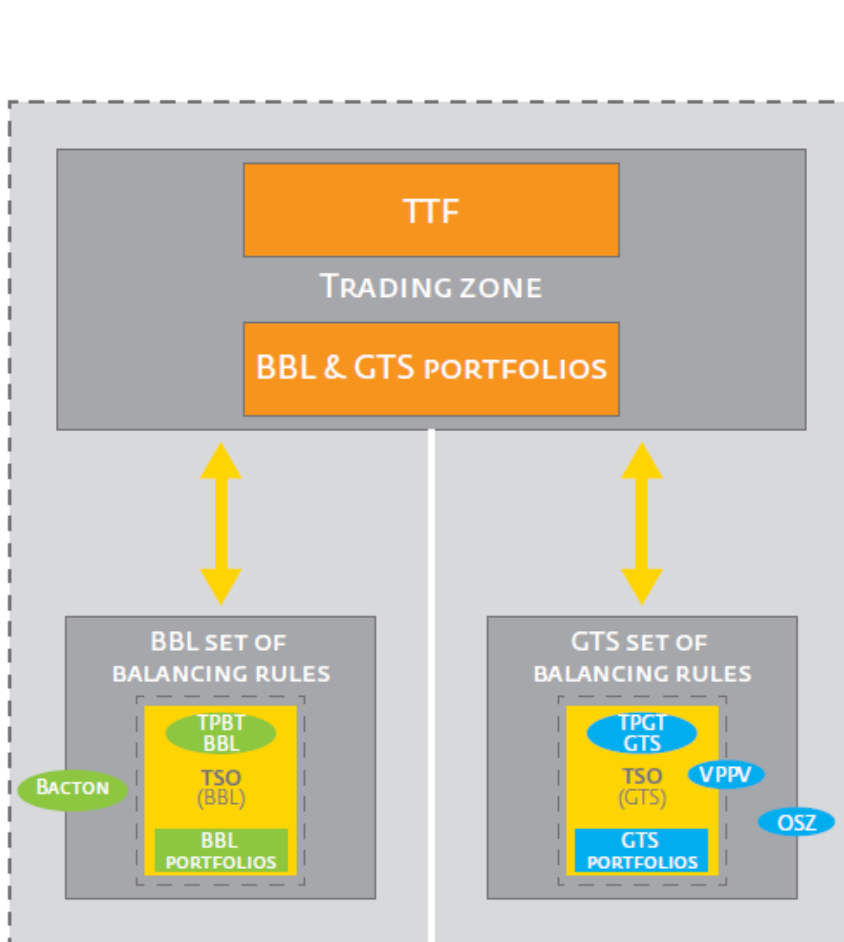
* Maximum of 15% of non-exempt part of technical capacity

** Maximum available firm capacity for short term products, based on calculations of GTS 6 weeks ahead based on expected gas flows. Due to unexpected gas flows the maximum available firm capacity for short term products can be adjusted

The enlarged TTF market area



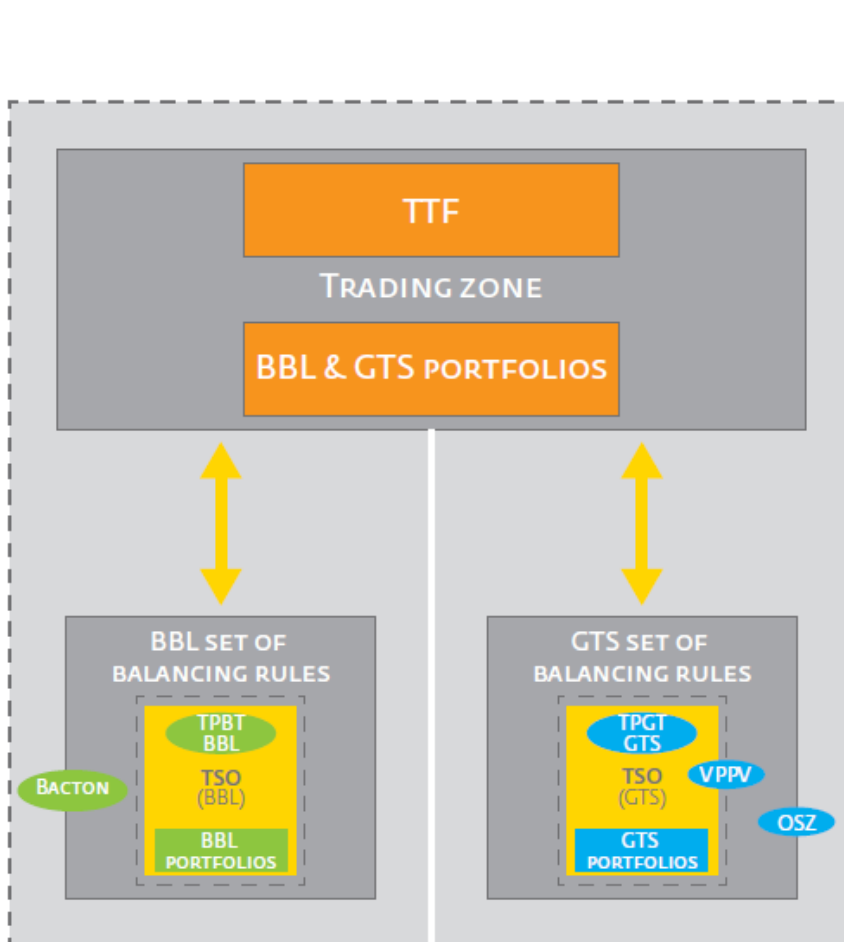
Operational effects (i)



Enlarged TTF
market area

- IP Julianadorp no longer exists
- Transfer of gas from GTS to BBL via TTF
- TTF will move to trading zone
- BBL shippers can trade on TTF
- Dark green zone will be enlarged

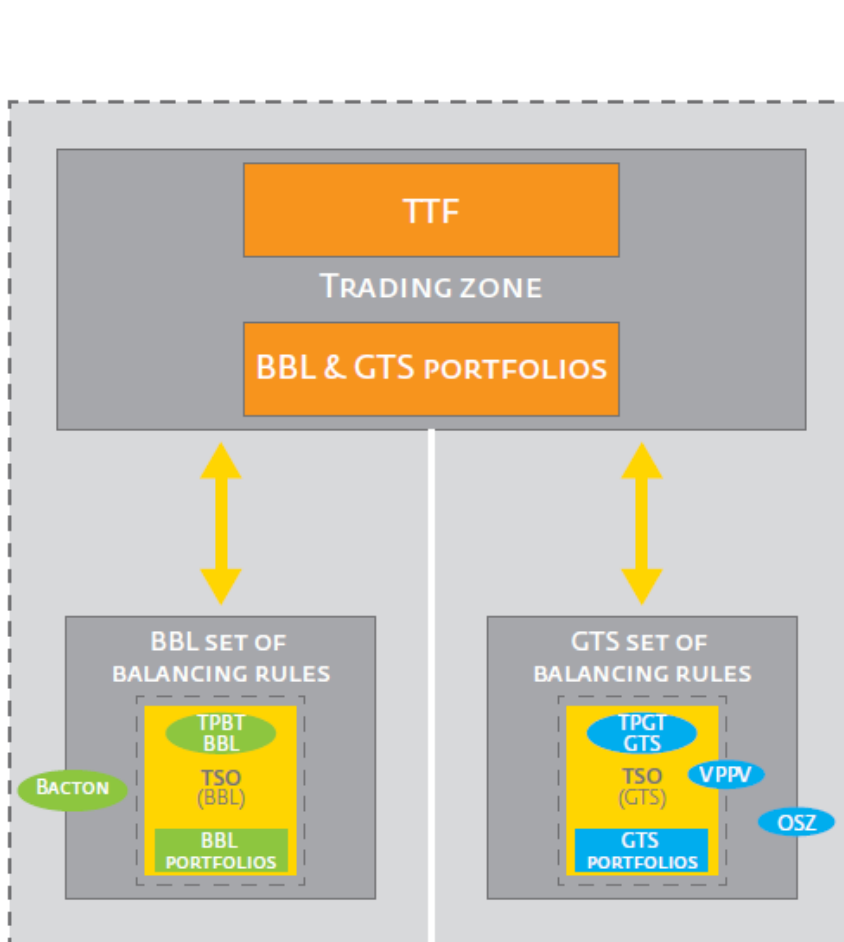
Operational effects (ii)



Enlarged TTF
market area

- Out-equals-in principle at BBL will be maintained
- Current set of GTS balancing rules remain fully applicable
- Imbalances in BBL portfolio will be transferred to a GTS portfolio
- Coupling of BBL portfolio to a GTS portfolio is required

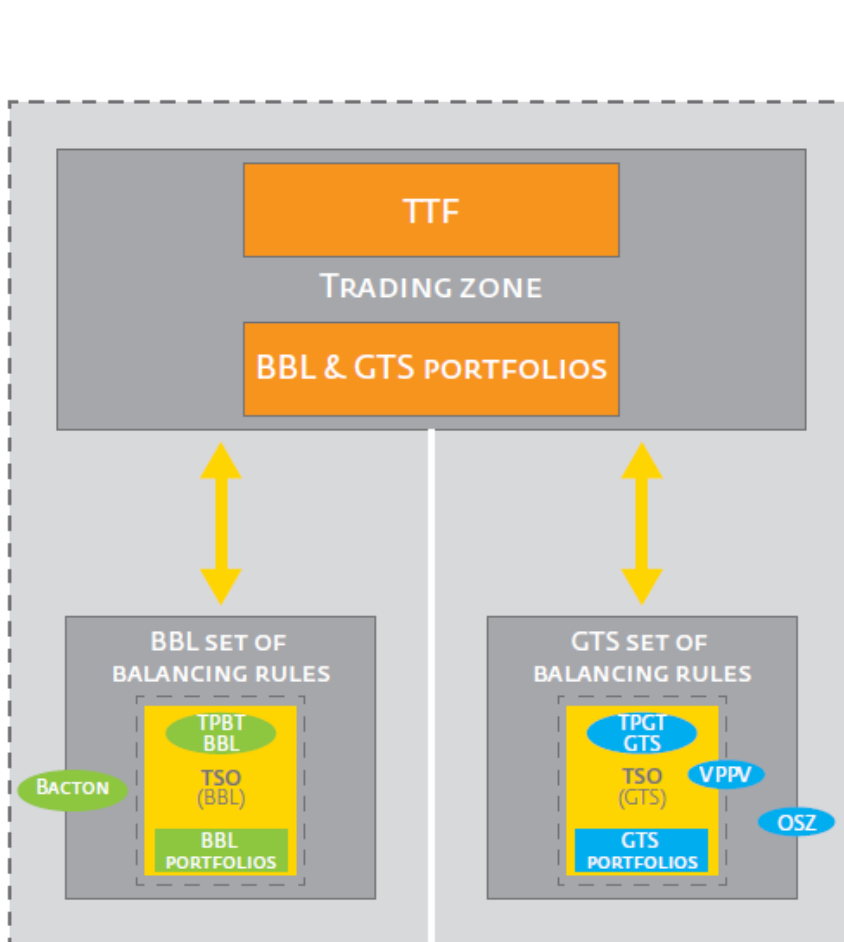
Operational effects for shippers at BBL



Enlarged TTF
market area

- Only nominations at IP Bacton required
- Transfer Point BBL – Trading Zone (TPBT) introduced
 - Aggregation of all TTF confirmations
 - Fully automated process

Operational effects for shippers at GTS



Enlarged TTF
market area

- Transfer Point GTS – Trading Zone (TPGT) introduced
 - Aggregation of all TTF confirmations
 - Fully automated process

- Changes in programmes
 - Julianadorp no longer enclosed
 - TPGT enclosed in programmes
 - sum of all TTF trades
 - no longer specifying TTF trades per counterparty
 - using reserved shippercode “GSTPTRADE”

Information streams

BBL-related information:

- a) confirmations via edig@s
- b) allocations via B2B and Information Services BBL (ISB) website

GTS-related information:

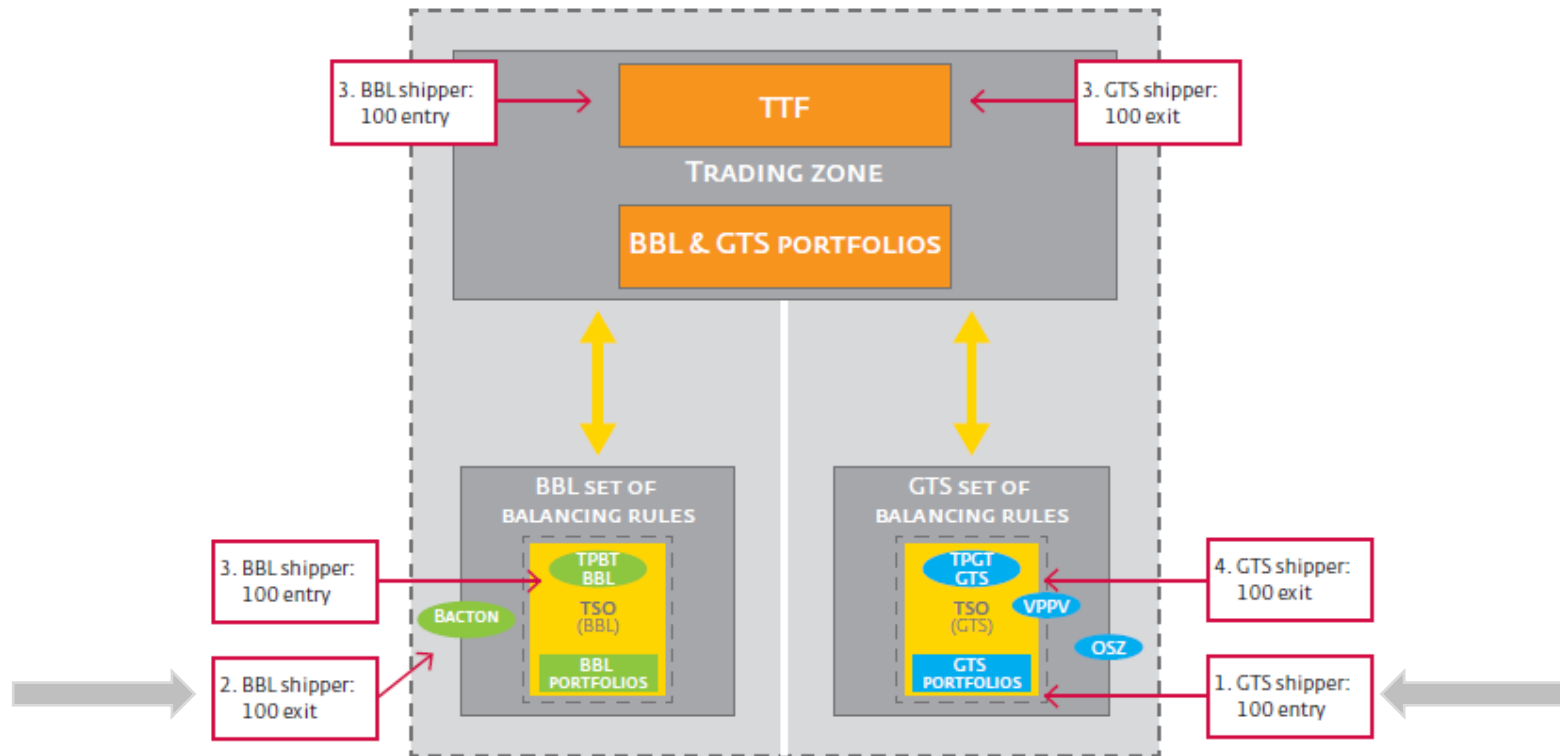
- a) confirmations via edig@s
- b) allocations via B2B and GTS Gasport website

There are no changes with to respect any other information streams

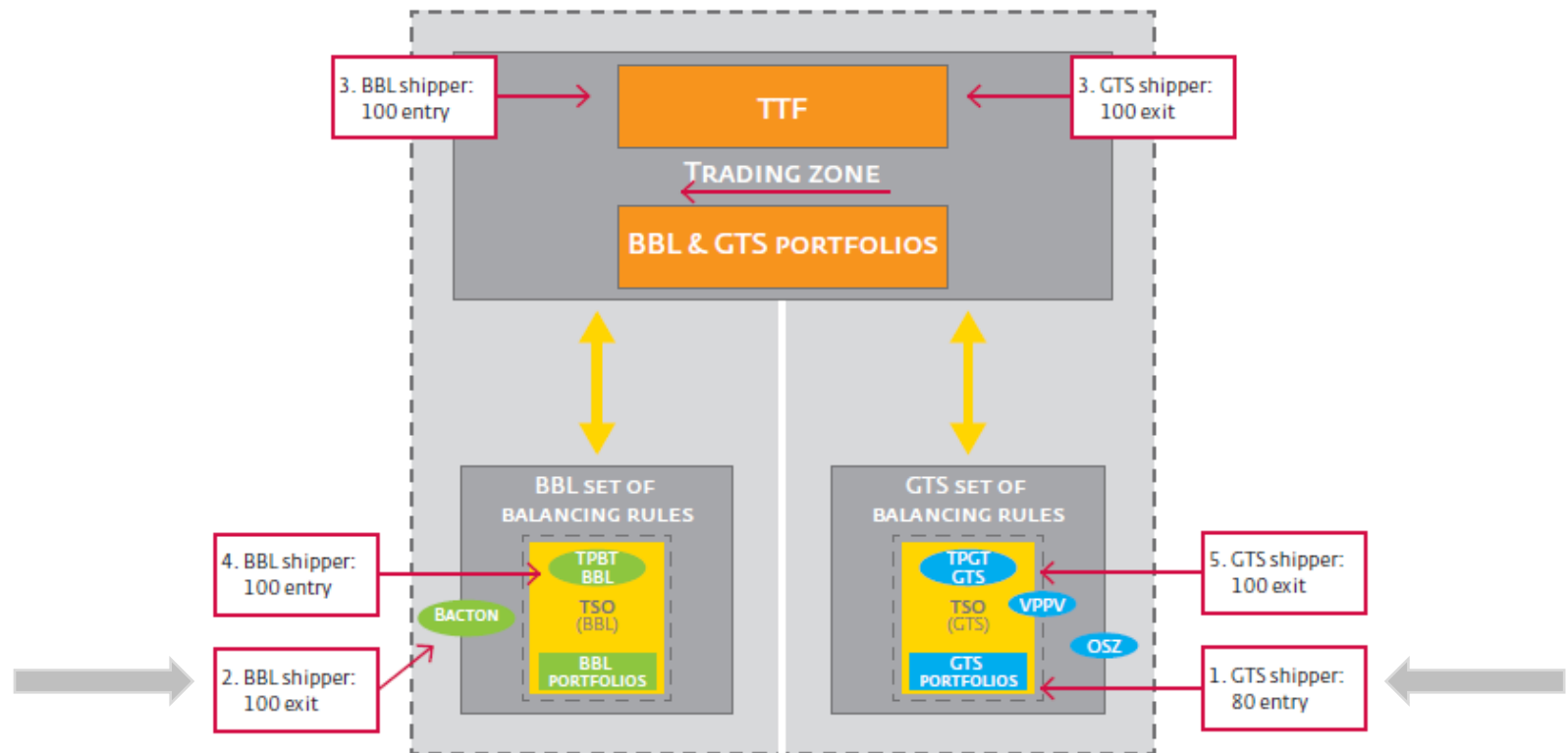
TTF:

- a) confirmation of all nominated and TZM-generated nomination transactions at TTF via edig@s
- b) allocations via Gasport and ISB

Shipper nominates at Bacton and GTS entry only, TZM ensures balance



TZM ensures that an imbalance will be absorbed in the GTS portfolio



Implementation

Please note in your agenda: 1 January 2018

- GTS and BBL will provide follow-up information related to process changes in autumn to enable a smooth transition

BACKUP SLIDES

BBL shipper only nominates at Bacton

At H-½ TZM will ensure the balance position of each BBL portfolio, using these confirmed quantities

TZM creates a TTF trade between BBL shipper X and the predefined GTS countershipper

TTF market area

BBL shipper nominates 100 exit Bacton at BBLC, ultimately at H-2

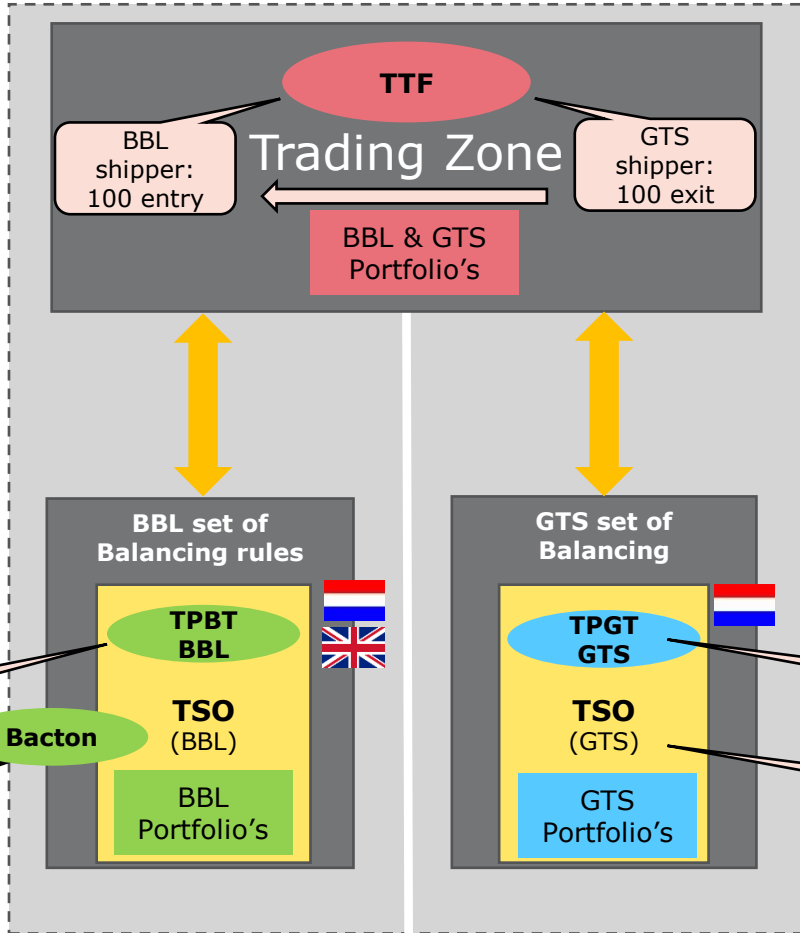
BBLC and NGG will match all nominated Bacton quantities using 'BBL prevail' rule

BBLC confirms 100 exit Bacton to BBL shipper

BBLC will make available the confirmed quantities to the TZM

BBL shipper: 100 entry

BBL shipper: 100 exit



TZM will make available the aggregation of all confirmed quantities per BBL portfolio to BBLC

BBLC will confirm 100 entry to BBL shipper

TZM will make available the aggregation of all confirmed quantities per GTS portfolio to GTS

GTS will confirm 100 exit to GTS shipper

GTS shipper: 100 exit

GTS shipper: 100 entry

Bacton



BBL shipper nominates at Bacton and TTF

At H-½ TZM will ensure the balance position of each BBL portfolio, using these confirmed quantities

Assuming that the GTS countershipper also nominated the trade at TTF, BBL shipper has created balance himself, TZM will not create additional trades

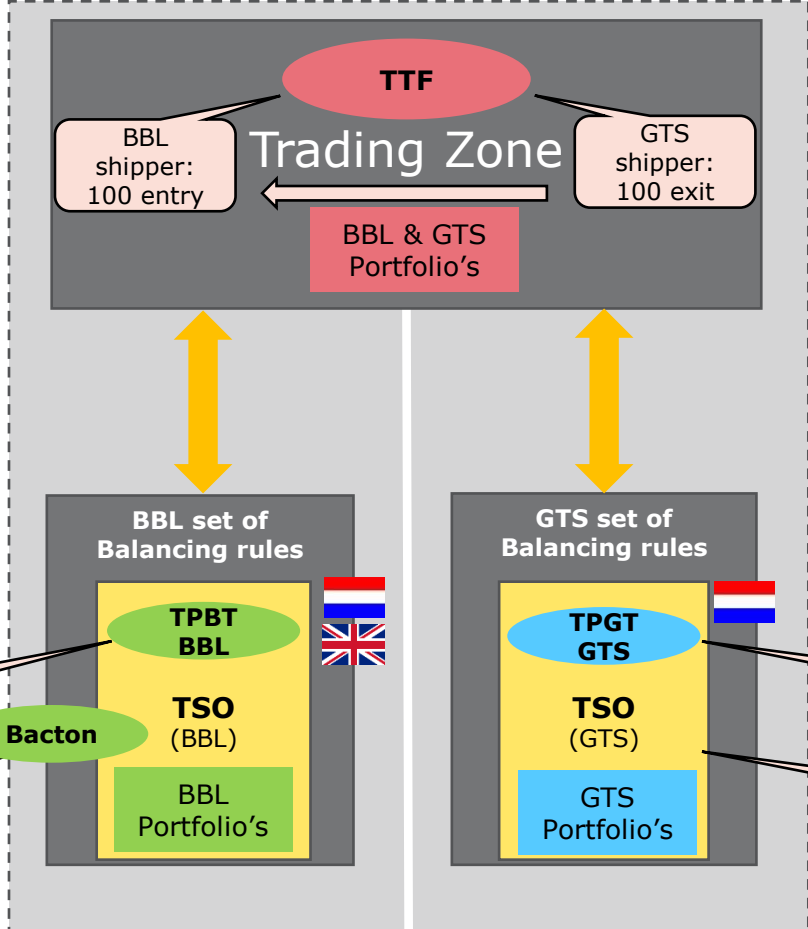
TTF market area

BBL shipper nominates 100 exit Bacton at BBLC ultimately at H-2; 100 entry (buy) TTF at TZM ultimately at H-½

BBLC and NGG will match all nominated Bacton quantities using 'BBL prevail' rule

BBLC confirms 100 exit Bacton to BBL shipper

BBLC will make available the confirmed quantities to the TZM



TZM will make available the aggregation of all confirmed quantities per BBL portfolio to BBLC

BBLC will confirm 100 entry to BBL shipper

TZM will make available the aggregation of all confirmed quantities per GTS portfolio to GTS

GTS will confirm 100 exit to GTS shipper

BBL shipper: 100 entry

BBL shipper: 100 exit

GTS shipper: 100 exit

GTS shipper: 100 entry

Bacton

BBL shipper buys gas at TTF from GTS shipper

