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Dear Colleague

Annual Monthly System Entry Capacity (AMSEC) Auction

Invitation to Participate in an Auction for the Capacity Period April 2016 to September 2017

Pursuant to Section B2.2.1 (b) of the Transportation Principal Document (TPD) of the Uniform Network Code (UNC), National Grid Gas plc ("National Grid") in its role as holder of the Gas Transporter Licence in respect of the NTS (the "Licence") invites you to take part in the 2016 Annual Monthly System Entry Capacity (AMSEC) auction for Monthly System Entry Capacity (MSEC).

The provisions of the UNC (including in particular, but not limited to, TPD Section B) apply to this invitation letter, the 2016 AMSEC auction for MSEC, any bids made and then rejected or accepted pursuant to such auction and any subsequent allocation of MSEC. Words and expressions which are capitalised but not defined in this invitation letter but which are defined in the UNC shall have the meanings given to them in the UNC.

Please refer to the Joint Office website (<http://www.gasgovernance.co.uk/livemods>) with regards to any outstanding modification which may affect capacity during the transaction period specifically.

Users may make applications for MSEC for each calendar month for the capacity period 1st April 2016 to 30th September 2017 (inclusive).

National Grid will conduct the AMSEC auction on the invitation dates listed below:

- **Monday** **15th February 2016** **(Tranche 1)**
- **Thursday** **18th February 2016** **(Tranche 2)**
- **Tuesday** **23rd February 2016** **(Tranche 3)**
- **Friday** **26th February 2016** **(Tranche 4)**

On each date detailed above, the auction window will commence at 08:00 and close at 17:00. An MSEC bid may be withdrawn or amended until, but not after 17:00. Allocations will be published to Users by 09:00 hours on the first Business Day following each invitation date.

The quantity of MSEC being offered for each month in the Capacity Period in respect of each Aggregate System Entry Point (ASEP) is shown in Table One attached to this

invitation letter. This has been calculated in accordance with paragraph 69 of the Entry Capacity Release Methodology Statement effective from 1st November 2015. For each ASEP for each month the quantity of Firm NTS Entry Capacity that National Grid is obliged to make available for sale is:

**Non-incremental Obligated Entry Capacity; plus
Legacy Incremental Entry Capacity; plus
Funded Incremental Obligated Entry Capacity; minus
All previously sold Firm NTS Entry Capacity (but excluding any previously sold
Non-obligated Entry Capacity)**

In each of the first three tranches of the AMSEC auction, the amount of capacity offered will be 25% of the total MSEC being offered. In the fourth tranche the remaining 25% of total MSEC being offered will be offered for sale, together with any unsold from the previous three tranches.

Reserve prices apply for the AMSEC auction. The reserve prices are published in Table 3 of The Statement of Gas Transmission Transportation Charges, effective from 1 October 2015 and can be viewed via <http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Charging-Statements/>

Please note: There are different reserve prices for two separate delivery periods 01 Apr 2016 to 30 Sep 2016 and 01 Oct 2016 to 30 Sep 2017 within this AMSEC transaction period.

Following the close of each tranche, National Grid will publish the following information detailed below for each ASEP, for each month, on the National Grid website via <http://www2.nationalgrid.com/uk/industry-information/gas-transmission-system-operations/capacity/entry-capacity-auction/>

- Weighted average price of all accepted bids
- Weighted average price of highest 50% of accepted bids
- Aggregate volume of allocated MSEC
- Total amount of revenue derived in respect of allocated MSEC
- Highest and lowest bids accepted
- Volume allocated at highest and lowest prices
- Total number of shippers who submitted successful capacity bids
- Total number of shippers who submitted unsuccessful capacity bids
- The amount of MSEC which remains unsold (if any) following the allocation.

This information can be found by selecting the following criteria:

Auction Type: Annual Monthly System Entry Capacity;
Report Type: Results (by Tranche);
From: April 2016;
To: September 2017

UNC and Licence changes may occur at any time, which may increase or decrease capacity rights, or availability. Users are advised to keep themselves up to date with any regime changes.

Please note that this invitation is being sent by e-mail via the Energy Network Association and by webfax (business hours operational list) and will be posted on the National Grid website (<http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx>). The fax delivery notification audit report will be considered as evidence of receipt. An ANS message will also be issued informing users that the invitation has been issued.

National Grid has put this document together with due care and attention. In the unlikely event of an error, National Grid reserves its right to correct the error and amend relevant elements of the auction as required.

If you have any queries with regards to entry capacity, the auction mechanism, Gemini or information provision then please do not hesitate to contact the capacity auctions team on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at capacityauctions@nationalgrid.com.

Yours faithfully,

Sarah J Wheeler
Market Operation
National Grid

Table One – Available Monthly System Entry Capacity (kWh/d)

Month	Avonmouth	Bacton UKCS	Burton Point	Barrow	Barton Stacey	Canonbie
	(AV)	(BU)	(BP)	(BR)	(BS)	(CB)
Apr-16	179,300,000	411,835,424	49,473,985	267,440,979	82,600,000	-
May-16	179,300,000	412,535,424	49,473,985	268,240,979	82,600,000	-
Jun-16	179,300,000	411,735,424	49,473,985	268,740,979	82,600,000	-
Jul-16	179,300,000	417,485,896	51,480,747	256,018,456	82,600,000	-
Aug-16	179,300,000	417,085,896	51,480,747	254,618,456	82,600,000	-
Sep-16	179,300,000	416,585,896	51,480,747	253,018,456	82,600,000	-
Oct-16	179,300,000	72,752,382	29,373,119	251,100,852	82,600,000	-
Nov-16	179,300,000	72,752,382	29,373,119	251,100,852	82,600,000	-
Dec-16	179,300,000	72,752,382	29,373,119	251,100,852	82,600,000	-
Jan-17	179,300,000	-	32,716,639	185,600,000	82,600,000	-
Feb-17	179,300,000	-	32,716,639	185,600,000	82,600,000	-
Mar-17	179,300,000	-	32,716,639	185,600,000	82,600,000	-
Apr-17	179,300,000	421,638,563	35,543,497	272,866,310	82,600,000	-
May-17	179,300,000	421,638,563	35,543,497	272,866,310	82,600,000	-
Jun-17	179,300,000	421,638,563	35,543,497	272,866,310	82,600,000	-
Jul-17	179,300,000	424,335,702	37,733,091	262,600,745	82,600,000	-
Aug-17	179,300,000	424,335,702	37,733,091	262,600,745	82,600,000	-
Sep-17	179,300,000	424,335,702	37,733,091	262,600,745	82,600,000	-

Month	Cheshire	Caythorpe	Dynevor Arms	Easington	Fleetwood	Glenmavis
	(CH)	(CT)	(DA)	(EA)	(FL)	(GM)
Apr-16	28,590,000	-	49,000,000	1,095,252,664	650,000,000	99,000,000
May-16	28,590,000	-	49,000,000	1,095,252,664	650,000,000	99,000,000
Jun-16	28,590,000	-	49,000,000	1,095,252,664	650,000,000	99,000,000
Jul-16	28,590,000	-	49,000,000	1,097,152,664	650,000,000	99,000,000
Aug-16	28,590,000	-	49,000,000	1,090,952,664	650,000,000	99,000,000
Sep-16	28,590,000	-	49,000,000	1,096,852,664	650,000,000	99,000,000
Oct-16	28,590,000	-	49,000,000	315,604,053	650,000,000	99,000,000
Nov-16	28,590,000	-	49,000,000	315,604,053	650,000,000	99,000,000
Dec-16	28,590,000	-	49,000,000	315,604,053	650,000,000	99,000,000
Jan-17	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
Feb-17	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
Mar-17	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
Apr-17	28,590,000	-	49,000,000	1,092,746,355	650,000,000	99,000,000
May-17	28,590,000	-	49,000,000	1,092,746,355	650,000,000	99,000,000
Jun-17	28,590,000	-	49,000,000	1,092,746,355	650,000,000	99,000,000
Jul-17	28,590,000	-	49,000,000	1,100,646,355	650,000,000	99,000,000
Aug-17	28,590,000	-	49,000,000	1,100,646,355	650,000,000	99,000,000
Sep-17	28,590,000	-	49,000,000	1,100,646,355	650,000,000	99,000,000

Month	Garton	Hole House Farm	Hatfield Moor Onshore	Hornsea	Hatfield Moor Storage	Isle of Grain LNG
	(GR)	(HH)	(HM)	(HS)	(HT)	(IG)
Apr-16	-	-	300,000	233,100,000	25,000,000	147,080,000
May-16	-	-	300,000	233,100,000	25,000,000	147,080,000
Jun-16	-	-	300,000	233,100,000	25,000,000	147,080,000
Jul-16	-	-	300,000	233,100,000	25,000,000	147,080,000
Aug-16	-	-	300,000	233,100,000	25,000,000	147,080,000
Sep-16	-	-	300,000	233,100,000	25,000,000	147,080,000
Oct-16	-	13,160,000	300,000	35,000,000	25,000,000	35,380,000
Nov-16	-	13,160,000	300,000	35,000,000	25,000,000	35,380,000
Dec-16	-	13,160,000	300,000	35,000,000	25,000,000	35,380,000
Jan-17	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Feb-17	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Mar-17	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Apr-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
May-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Jun-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Jul-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Aug-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Sep-17	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000

Month	Milford Haven	Partington	St. Fergus	Teesside	Theddlethorpe	Wytch Farm
	(MH)	(PR)	(SF)	(TE)	(TH)	(WF)
Apr-16	-	215,000,000	1,548,897,093	260,354,162	589,036,213	3,300,000
May-16	-	215,000,000	1,548,897,093	260,354,162	589,036,213	3,300,000
Jun-16	-	215,000,000	1,548,897,093	260,354,162	589,036,213	3,300,000
Jul-16	-	215,000,000	1,559,473,952	263,622,002	590,036,213	3,300,000
Aug-16	-	215,000,000	1,559,473,952	263,122,002	590,036,213	3,300,000
Sep-16	-	215,000,000	1,559,473,952	262,822,002	590,036,213	3,300,000
Oct-16	-	215,000,000	1,219,686,863	242,768,265	590,136,213	3,300,000
Nov-16	-	215,000,000	1,219,686,863	242,768,265	590,136,213	3,300,000
Dec-16	-	215,000,000	1,219,686,863	242,768,265	590,136,213	3,300,000
Jan-17	-	215,000,000	1,251,565,218	280,007,180	581,867,718	3,300,000
Feb-17	-	215,000,000	1,251,565,218	280,007,180	581,867,718	3,300,000
Mar-17	-	215,000,000	1,251,565,218	280,007,180	581,867,718	3,300,000
Apr-17	147,000,000	215,000,000	1,585,894,385	300,373,906	583,967,718	3,300,000
May-17	147,000,000	215,000,000	1,585,894,385	300,373,906	583,967,718	3,300,000
Jun-17	147,000,000	215,000,000	1,585,894,385	300,373,906	583,967,718	3,300,000
Jul-17	147,000,000	215,000,000	1,597,057,559	302,121,496	582,467,718	3,300,000
Aug-17	147,000,000	215,000,000	1,597,057,559	302,121,496	582,467,718	3,300,000
Sep-17	147,000,000	215,000,000	1,597,057,559	302,121,496	582,467,718	3,300,000