

National Grid House

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*calls will be recorded and may be monitored

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Dear Colleague

Annual Monthly System Entry Capacity (AMSEC) Auction

Invitation to Participate in an Auction for the Capacity Period April 2018 to September 2019

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 2018 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 2018 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 2018 to 30th September 2019 (inclusive).

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

| • | Monday | 12 th February 2018 | (Tranche 1) |
|---|----------|--------------------------------|-------------|
| • | Thursday | 15 th February 2018 | (Tranche 2) |
| • | Tuesday | 20 th February 2018 | (Tranche 3) |
| • | Friday | 23 rd February 2018 | (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 An MSEC bid may be withdrawn or amended until, but not after 17:00.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 V3.0 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); minus
All Reserved 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 4 of The Statement of Gas Transmission Transportation Charges, effective from 1st October 2017 and can be viewed via

https://www.nationalgrid.com/uk/gas/charging-and-methodologies

Please note: There are different reserve prices for two separate delivery periods 1st Apr 2018 to 30th Sep 2018 and 1st Oct 2018 to 30th Sep 2019 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://mip-prod-web.azurewebsites.net/EntryCapacityAuctions/Index

- 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 2018; To: September 2019

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 will be posted on the National Grid website

http://mip-prod-web.azurewebsites.net/EntryCapacityAuctions/Index. 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 Capacity Auction Analyst Commercial Operations System Operator 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-18 | 179,300,000 | 424,595,512 | 43,097,908 | 286,955,832 | 82,600,000 | - |
| May-18 | 179,300,000 | 424,595,512 | 43,097,908 | 286,955,832 | 82,600,000 | - |
| Jun-18 | 179,300,000 | 424,595,512 | 43,097,908 | 286,955,832 | 82,600,000 | - |
| Jul-18 | 179,300,000 | 427,295,512 | 44,220,664 | 289,788,304 | 82,600,000 | - |
| Aug-18 | 179,300,000 | 427,295,512 | 44,220,664 | 289,788,304 | 82,600,000 | - |
| Sep-18 | 179,300,000 | 427,295,512 | 44,220,664 | 289,788,304 | 82,600,000 | - |
| Oct-18 | 179,300,000 | 101,912,182 | 57,643,022 | 268,931,935 | 82,600,000 | - |
| Nov-18 | 179,300,000 | 101,912,182 | 57,643,022 | 268,931,935 | 82,600,000 | - |
| Dec-18 | 179,300,000 | 101,912,182 | 57,643,022 | 268,931,935 | 82,600,000 | - |
| Jan-19 | 179,300,000 | - | 58,230,318 | 200,695,165 | 82,600,000 | - |
| Feb-19 | 179,300,000 | - | 58,230,318 | 200,695,165 | 82,600,000 | - |
| Mar-19 | 179,300,000 | - | 58,230,318 | 200,695,165 | 82,600,000 | - |
| Apr-19 | 179,300,000 | 430,296,854 | 58,861,117 | 296,275,669 | 82,600,000 | - |
| May-19 | 179,300,000 | 430,296,854 | 58,861,117 | 296,275,669 | 82,600,000 | - |
| Jun-19 | 179,300,000 | 430,296,854 | 58,861,117 | 296,275,669 | 82,600,000 | - |
| Jul-19 | 179,300,000 | 433,696,854 | 59,513,667 | 291,028,588 | 82,600,000 | - |
| Aug-19 | 179,300,000 | 433,696,854 | 59,513,667 | 291,028,588 | 82,600,000 | - |
| Sep-19 | 179,300,000 | 433,696,854 | 59,513,667 | 291,028,588 | 82,600,000 | - |

| Month | Cheshire | Caythorpe | Dynevor Arms | Easington | Fleetwood | Glenmavis |
|--------|------------|-----------|--------------|---------------|-------------|------------|
| | (CH) | (CT) | (DA) | (EA) | (FL) | (GM) |
| Apr-18 | 28,590,000 | - | 49,000,000 | 1,113,135,852 | 350,000,000 | 99,000,000 |
| May-18 | 28,590,000 | - | 49,000,000 | 1,113,135,852 | 350,000,000 | 99,000,000 |
| Jun-18 | 28,590,000 | - | 49,000,000 | 1,113,135,852 | 350,000,000 | 99,000,000 |
| Jul-18 | 28,590,000 | - | 49,000,000 | 1,120,535,852 | 350,000,000 | 99,000,000 |
| Aug-18 | 28,590,000 | - | 49,000,000 | 1,120,535,852 | 350,000,000 | 99,000,000 |
| Sep-18 | 28,590,000 | - | 49,000,000 | 1,120,535,852 | 350,000,000 | 99,000,000 |
| Oct-18 | 28,590,000 | - | 49,000,000 | 351,526,499 | 350,000,000 | 99,000,000 |
| Nov-18 | 28,590,000 | - | 49,000,000 | 351,526,499 | 350,000,000 | 99,000,000 |
| Dec-18 | 28,590,000 | - | 49,000,000 | 351,526,499 | 350,000,000 | 99,000,000 |
| Jan-19 | 28,590,000 | - | 49,000,000 | 106,200,000 | 350,000,000 | 99,000,000 |
| Feb-19 | 28,590,000 | - | 49,000,000 | 106,200,000 | 350,000,000 | 99,000,000 |
| Mar-19 | 28,590,000 | - | 49,000,000 | 106,200,000 | 350,000,000 | 99,000,000 |
| Apr-19 | 28,590,000 | - | 49,000,000 | 1,123,128,822 | 350,000,000 | 99,000,000 |
| May-19 | 28,590,000 | - | 49,000,000 | 1,123,128,822 | 350,000,000 | 99,000,000 |
| Jun-19 | 28,590,000 | - | 49,000,000 | 1,123,128,822 | 350,000,000 | 99,000,000 |
| Jul-19 | 28,590,000 | - | 49,000,000 | 1,125,528,822 | 350,000,000 | 99,000,000 |
| Aug-19 | 28,590,000 | - | 49,000,000 | 1,125,528,822 | 350,000,000 | 99,000,000 |
| Sep-19 | 28,590,000 | - | 49,000,000 | 1,125,528,822 | 350,000,000 | 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-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| May-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Jun-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Jul-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Aug-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Sep-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Oct-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 35,380,000 | |
| Nov-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 35,380,000 | |
| Dec-18 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 35,380,000 | |
| Jan-19 | - | 13,160,000 | 300,000 | 27,310,000 | 3,000,000 | 35,380,000 | |
| Feb-19 | - | 13,160,000 | 300,000 | 27,310,000 | 3,000,000 | 35,380,000 | |
| Mar-19 | - | 13,160,000 | 300,000 | 27,310,000 | 3,000,000 | 35,380,000 | |
| Apr-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| May-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Jun-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Jul-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Aug-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |
| Sep-19 | - | 13,160,000 | 300,000 | 233,100,000 | 25,000,000 | 77,080,000 | |

| Month | Milford Haven | Partington | St. Fergus | Teesside | Theddlethorpe | Wytch Farm |
|--------|------------------|-------------|---------------|-------------|---------------|---------------|
| | (MH) | (PR) | (SF) | (TE) | (TH) | (WF) |
| Apr-18 | 147,000,000 | 215,000,000 | 1,625,443,167 | 335,239,407 | 596,600,000 | 3,300,000 |
| May-18 | 147,000,000 | 215,000,000 | 1,625,443,167 | 335,239,407 | 596,600,000 | 3,300,000 |
| Jun-18 | 147,000,000 | 215,000,000 | 1,625,443,167 | 335,239,407 | 596,600,000 | 3,300,000 |
| Jul-18 | 147,000,000 | 215,000,000 | 1,639,843,167 | 336,000,007 | 597,500,000 | 3,300,000 |
| Aug-18 | 147,000,000 | 215,000,000 | 1,639,843,167 | 336,000,007 | 597,500,000 | 3,300,000 |
| Sep-18 | 147,000,000 | 215,000,000 | 1,639,843,167 | 336,000,007 | 597,500,000 | 3,300,000 |
| Oct-18 | - | 215,000,000 | 1,445,551,044 | 321,048,110 | 598,600,000 | 3,300,000 |
| Nov-18 | - | 215,000,000 | 1,445,551,044 | 321,048,110 | 598,600,000 | 3,300,000 |
| Dec-18 | - | 215,000,000 | 1,445,551,044 | 321,048,110 | 598,600,000 | 3,300,000 |
| Jan-19 | - | 215,000,000 | 1,452,495,442 | 339,976,713 | 599,900,000 | 3,300,000 |
| Feb-19 | - | 215,000,000 | 1,452,495,442 | 339,976,713 | 599,900,000 | 3,300,000 |
| Mar-19 | - | 215,000,000 | 1,452,495,442 | 339,976,713 | 599,900,000 | 3,300,000 |
| Apr-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 91,838,657 | 600,500,000 | 3,300,000 |
| May-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 91,838,657 | 600,500,000 | 3,300,000 |
| Jun-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 91,838,657 | 600,500,000 | 3,300,000 |
| Jul-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 90,397,373 | 601,000,000 | 3,300,000 |
| Aug-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 90,397,373 | 601,000,000 | 3,300,000 |
| Sep-19 | 147,000,000 | 215,000,000 | 1,648,374,636 | 90,397,373 | 601,000,000 | 3,300,000 |