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Dear Colleague

Annual Monthly System Entry Capacity (AMSEC) Auction

Invitation to Participate in an Auction for the Capacity Period April 2019 to September 2020

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 2019 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 2019 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 modification of the UNC which may affect capacity during the transaction period.

As you may be aware, on the 20th December 2018 Ofgem rejected Mod 0621 (and all its alternates) – Amendments to Gas Transmission Charging Regime. Ofgem set out its reasons for the rejection here <http://www.gasgovernance.co.uk/0621>. The remaining provisions of the Tariff Network Code have an implementation date of 31st May 2019 and market participants should keep up to date and engage with how the Tariff Network Code should be reflected in the UNC via the Joint Office <http://www.gasgovernance.co.uk/livemods>.

Users may make applications for MSEC for each calendar month for the capacity period 1st April 2019 to 30th September 2020 (inclusive).

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

- **Monday** **11th February 2019** **(Tranche 1)**
- **Thursday** **14th February 2019** **(Tranche 2)**
- **Tuesday** **19th February 2019** **(Tranche 3)**
- **Friday** **22nd February 2019** **(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 An MSEC bid may be withdrawn or amended until, but not after 17:00.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 2018 and can be viewed via

<https://www.nationalgridgas.com/charging>

Please note: There are different reserve prices for two separate delivery periods 1st Apr 2019 to 30th Sep 2019 and 1st Oct 2019 to 30th Sep 2020 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 2019;
To: September 2020

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

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Gas Operations, GSO

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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-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	-
Oct-19	179,300,000	111,713,521	60,361,983	282,077,802	82,600,000	-
Nov-19	179,300,000	111,713,521	60,361,983	282,077,802	82,600,000	-
Dec-19	179,300,000	111,713,521	60,361,983	282,077,802	82,600,000	-
Jan-20	179,300,000	-	61,058,037	253,652,899	82,600,000	-
Feb-20	179,300,000	-	61,058,037	253,652,899	82,600,000	-
Mar-20	179,300,000	-	61,058,037	253,652,899	82,600,000	-
Apr-20	179,300,000	435,907,154	61,558,325	324,795,614	82,600,000	-
May-20	179,300,000	435,907,154	61,558,325	324,795,614	82,600,000	-
Jun-20	179,300,000	435,907,154	61,558,325	324,795,614	82,600,000	-
Jul-20	179,300,000	439,407,154	64,951,588	319,415,059	82,600,000	-
Aug-20	179,300,000	439,407,154	64,951,588	319,415,059	82,600,000	-
Sep-20	179,300,000	439,407,154	64,951,588	319,415,059	82,600,000	-

Month	Cheshire	Caythorpe	Dynevor Arms	Easington	Fleetwood	Glenmavis
	(CH)	(CT)	(DA)	(EA)	(FL)	(GM)
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
Oct-19	28,590,000	-	49,000,000	361,736,273	350,000,000	99,000,000
Nov-19	28,590,000	-	49,000,000	361,736,273	350,000,000	99,000,000
Dec-19	28,590,000	-	49,000,000	361,736,273	350,000,000	99,000,000
Jan-20	28,590,000	-	49,000,000	106,200,000	350,000,000	99,000,000
Feb-20	28,590,000	-	49,000,000	106,200,000	350,000,000	99,000,000
Mar-20	28,590,000	-	49,000,000	106,200,000	350,000,000	99,000,000
Apr-20	28,590,000	-	49,000,000	1,172,184,927	350,000,000	99,000,000
May-20	28,590,000	-	49,000,000	1,172,184,927	350,000,000	99,000,000
Jun-20	28,590,000	-	49,000,000	1,172,184,927	350,000,000	99,000,000
Jul-20	28,590,000	-	49,000,000	1,173,484,927	350,000,000	99,000,000
Aug-20	28,590,000	-	49,000,000	1,173,484,927	350,000,000	99,000,000
Sep-20	28,590,000	-	49,000,000	1,173,484,927	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-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
Oct-19	-	13,160,000	300,000	233,100,000	25,000,000	35,380,000
Nov-19	-	13,160,000	300,000	233,100,000	25,000,000	35,380,000
Dec-19	-	13,160,000	300,000	233,100,000	25,000,000	35,380,000
Jan-20	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Feb-20	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Mar-20	-	13,160,000	300,000	27,310,000	3,000,000	35,380,000
Apr-20	-	13,160,000	300,000	233,100,000	25,000,000	77,080,000
May-20	-	13,160,000	300,000	233,100,000	25,000,000	77,080,000
Jun-20	-	13,160,000	300,000	233,100,000	25,000,000	77,080,000
Jul-20	-	13,160,000	300,000	233,100,000	25,000,000	77,080,000
Aug-20	-	13,160,000	300,000	233,100,000	25,000,000	77,080,000
Sep-20	-	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-19	147,000,000	215,000,000	1,648,374,636	353,251,343	600,500,000	3,300,000
May-19	147,000,000	215,000,000	1,648,374,636	353,251,343	600,500,000	3,300,000
Jun-19	147,000,000	215,000,000	1,648,374,636	353,251,343	600,500,000	3,300,000
Jul-19	147,000,000	215,000,000	1,648,374,636	354,692,627	601,000,000	3,300,000
Aug-19	147,000,000	215,000,000	1,648,374,636	354,692,627	601,000,000	3,300,000
Sep-19	147,000,000	215,000,000	1,648,374,636	354,692,627	601,000,000	3,300,000
Oct-19	-	201,432,500	1,547,331,633	354,298,059	601,500,000	3,300,000
Nov-19	-	201,432,500	1,547,331,633	354,298,059	601,500,000	3,300,000
Dec-19	-	201,432,500	1,547,331,633	354,298,059	601,500,000	3,300,000
Jan-20	-	201,432,500	1,551,825,872	366,227,168	601,900,000	3,300,000
Feb-20	-	201,432,500	1,551,825,872	366,227,168	601,900,000	3,300,000
Mar-20	-	201,432,500	1,551,825,872	366,227,168	601,900,000	3,300,000
Apr-20	47,000,000	201,432,500	1,648,825,872	365,162,662	602,400,000	3,300,000
May-20	47,000,000	201,432,500	1,648,825,872	365,162,662	602,400,000	3,300,000
Jun-20	47,000,000	201,432,500	1,648,825,872	365,162,662	602,400,000	3,300,000
Jul-20	47,000,000	201,432,500	1,648,825,872	368,437,301	602,800,000	3,300,000
Aug-20	47,000,000	201,432,500	1,648,825,872	368,437,301	602,800,000	3,300,000
Sep-20	47,000,000	201,432,500	1,648,825,872	368,437,301	602,800,000	3,300,000