

MODIFICATION 0501CV

TREATMENT OF EXISTING ENTRY CAPACITY RIGHTS AT THE BACTON ASEP TO COMPLY WITH EU CAPACITY REGULATIONS INCLUDING A CAPPED CAPACITY RETURN OPTION AND AN AGGREGATE OVERRUN REGIME

[Proposed legal text](#)

TRANSITION DOCUMENT

Add new Part IIE to read as follows:

UNIFORM NETWORK CODE - TRANSITION DOCUMENT

PART IIE - CANCELLATION AND RE-ALLOCATION OF NTS ENTRY CAPACITY AT BACTON ASEP AND TRANSITIONAL REGIME IN RESPECT OF RE-ALLOCATED CAPACITY

1 Introduction

1.1 With effect from 1 November 2015 there will be two new ASEPs at Bacton, the Bacton IP ASEP and the Bacton UKCS ASEP (each a "**new ASEP**") and this Part IIE contains provisions for:

- (a) the cancellation of a Bacton User's Relevant Registered NTS Entry Capacity;
- (b) the re-allocation of a Bacton User's Residual Registered NTS Entry Capacity at the Bacton ASEP as:
 - (i) Registered IP Capacity at the Bacton IP ASEP; or
 - (ii) Registered NTS Entry Capacity at the Bacton UKCS ASEP.

1.2 For the purposes of this Part IIE:

- (a) "**Bacton ASEP**" means the Aggregate System Entry Point comprising, for the purposes of National Grid NTS' Transporter's Licence, the Bacton NTS Entry Point;
- (b) "**Bacton IP ASEP**" means the Aggregate System Entry Point comprising, for the purposes of National Grid NTS' Transporter's Licence, the Bacton IP NTS Entry Point being a System Point at which the NTS is connected to the gas transmission system of an EU member state;
- (c) "**Bacton UKCS ASEP**" means the Aggregate System Entry Point comprising, for the purposes of National Grid NTS' Transporter's Licence, the Bacton UKCS NTS Entry Point;
- (d) "**Bacton User**" means a User who holds Relevant Registered NTS Entry Capacity at the Bacton ASEP on the relevant date for any period after 31 October 2015;
- ~~(d)~~(e) "**Effective Date**" means [the effective date of the Modification giving effect to this TD Part IIE;](#)

(e)(f) **"IP Capacity"** means NTS Entry Capacity at the Bacton IP ASEP;

(f)(g) **"re-allocation invitation"** is an invitation made by National Grid NTS inviting Bacton Users to propose a re-allocation of Residual Registered NTS Entry Capacity in accordance with this Part IIE;

(g)(h) **"re-allocation notification"** is a notification submitted by a Bacton User in response to a re-allocation invitation;

(h)(i) **"re-allocation period"** means the period commencing on the day on which National Grid NTS issues a re-allocation invitation under paragraph 2.1 and ending (and including) the day on which National Grid NTS gives a notification in accordance with paragraph 4.2 (following the re-allocation of all Bacton Users Residual Registered NTS Entry Capacity in accordance with paragraph 2 or (as the case may be) paragraph 3);

(i)(j) **"relevant date"** means the first day of the re-allocation period;

(i)(k) **"relevant period"** means a relevant month or relevant quarter;

(i)(l) **"relevant proportion"** means, in respect of a new ASEP for a relevant period or Transferred System Capacity under a Relevant Transfer, the proportion calculated as follows:

$$\text{OEC} / \text{TOEC}$$

where, for each day in the relevant period:

OEC is the Obligated Entry Capacity for the new ASEP;

TOEC is the Total Obligated Entry Capacity;

(i)(m) **"Relevant Registered NTS Entry Capacity"** means, in respect of a Bacton User, the Registered NTS Entry Capacity held by the User at the Bacton ASEP on the relevant date in respect of:

(i) any month in the period November 2015 to September 2016 (inclusive) (**"relevant month"**);

(ii) any calendar quarter in the period October 2016 to September 2031 (inclusive) (**"relevant quarter"**);

and in respect of a Bacton User and a relevant period the **"Maximum Amount"** of the User's Relevant Registered NTS Entry Capacity is:

$$(\text{BIPA} / \text{BA}) * \text{RR}$$

where:

BIPA is the Baseline Entry Capacity for the Bacton IP ASEP set out in Table 6B;

BA is the Baseline Entry Capacity for the Bacton ASEP set out in Table 6A

of Special Condition 5F of National Grid NTS' Transporter's Licence; and

RR is the User's Relevant Registered NTS Entry Capacity for the relevant period;

~~(m)~~(n) "**Residual Registered NTS Entry Capacity**" means, in respect of a Bacton User and a relevant period, the Bacton User's Registered NTS Entry Capacity less the amount (if any) of NTS Entry Capacity which the Bacton User wishes to cancel for the relevant period specified in a re-allocation notification submitted by the Bacton User in accordance with paragraph 2.2 (or is deemed to have cancelled under paragraph 1.8(b));

~~(n)~~(o) "**Relevant Transfer**" means, in respect of a Bacton User, a System Capacity Transfer in respect of which:

- (i) the Bacton User is the Transferor User;
- (ii) the Bacton ASEP is the Transfer System Point; and
- (iii) the Transfer Period comprises a relevant period (or consecutive relevant periods) (such period the "**Relevant Transfer Period**");

~~(o)~~(p) "**Total Obligated Entry Capacity**" means in relation to each Day in a calendar month the sum of the Obligated Entry Capacity for the Bacton IP ASEP and the Bacton UKCS ASEP;

~~(p)~~(q) "**Transferor Bacton User**" and "**Transferee Bacton User**" means in respect of a Relevant Transfer the Bacton User who is respectively the Transferor User and the Transferee User; and

~~(q)~~(r) the "**weighted average**" of the Applicable Daily Rates payable by a Bacton User in respect of a relevant period is:

$$\frac{\sum_{i=1}^n Q_i * P_i}{\sum_{i=1}^n Q_i}$$

where:

- i* represents a capacity bid submitted by the User in respect of which NTS Entry Capacity was allocated in accordance with TPD Section B2.6 and 2.7;
- n* is the number of successful capacity bids submitted by the User for the relevant period;
- Q* is the amount of NTS Entry Capacity allocated to each successful relevant capacity bid; and
- p* is the bid price of each successful capacity bid.

1.3 A re-allocation invitation shall:

- (a) where issued pursuant to paragraph 2.1, invite each Bacton User to cancel Relevant Registered NTS Entry Capacity at the Bacton ASEP;

- (b) invite each Bacton User to propose a re-allocation of the User's Relevant Registered NTS Entry Capacity as:
 - (i) Registered IP Capacity at the Bacton IP ASEP; or
 - (ii) Registered NTS Entry Capacity at the Bacton UKCS ASEP;
- (c) specify:
 - (i) each relevant period in respect of which the invitation applies;
 - (ii) the date falling ten (10) Business Days after the date of the re-allocation invitation by which a Bacton User may submit a re-allocation notification;
 - (iii) the facsimile number the Bacton User should use for the purposes of submitting a re-allocation notification;
 - (iv) the date by which National Grid NTS will notify Bacton Users of the result of a re-allocation in accordance with paragraph 2 or (as the case may be) paragraph 3; and
 - (v) in the case of a re-allocation invitation under paragraph 3 only, the aggregate amount of NTS Entry Capacity which Bacton Users proposed for re-allocation (or was deemed proposed) at each new ASEP for the relevant period(s) in respect of which the re-allocation invitation under paragraph 3 is made, and for each such month or quarter the over-subscribed ASEP and the over-subscribed amount;
- (d) specify, in respect of the Bacton User to whom invitation is sent:
 - (i) the Bacton User's Relevant Registered NTS Entry Capacity for each relevant period;
 - (ii) the weighted average of the Applicable Daily Rates payable by the Bacton User for Relevant Registered NTS Entry Capacity for the relevant period;
 - (iii) in respect of each Relevant Transfer, the Transferred System Capacity and the Relevant Transfer Period.

1.4 A re-allocation notification shall specify:

- (a) the identity of the Bacton User;
- (b) in response to the re-allocation invitation issued under paragraph 2.1, the amount (if any) of Relevant Registered NTS Entry Capacity up to the Maximum Amount the Bacton User wishes to cancel for a relevant period;
- (c) for each relevant period in respect of which the User holds Relevant Residual NTS Entry Capacity the amount of that capacity which the User proposes is re-allocated as:
 - (i) Registered IP Capacity at the Bacton IP ASEP; or
 - (ii) Registered NTS Entry Capacity at the Bacton UKCS ASEP;

- (d) for each Relevant Transfer and for each relevant period comprising in the Relevant Transfer Period, the amount of the Transferred System Capacity which the User proposes be re-allocated as:
 - (i) Registered IP Capacity at the Bacton IP ASEP; or
 - (ii) Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;
 - (e) in response to the re-allocation invitation issued under paragraph 3.1, if paragraph 3.6(a)(iv) or (b)(iv) should apply in the event of an over-subscription at a new ASEP in respect of a relevant period; and
 - (f) the facsimile number to which National Grid NTS should send the information referred to in paragraph 4.2.
- 1.5 A re-allocation notification may be submitted by a Bacton User between 08:00 hours and 17:00 hours on any Business Day up to (and including) the date specified in accordance with paragraph 1.3(c)(ii).
- 1.6 A re-allocation notification submitted by a Bacton User:
- (a) may propose that all or any part of the User's Residual Registered NTS Entry Capacity for a relevant period be re-allocated as Registered IP Capacity at the Bacton IP ASEP or (as the case may be) Registered NTS Entry Capacity at the Bacton UKCS ASEP;
 - (b) must re-allocate capacity equal to the User's Residual Registered NTS Entry Capacity at the Bacton ASEP for the relevant period;
 - (c) in respect of a Relevant Transfer:
 - (i) may propose all or any part of the Transferred System Capacity for a relevant period be treated as Registered IP Capacity at the Bacton IP ASEP or Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;
 - (ii) must make a proposal in respect of a Relevant Transfer for a relevant period for an amount of NTS Entry Capacity equal to the Transferred System Capacity (or where the User's Available NTS Entry Capacity at the Bacton ASEP is negative for an amount equal to the User's Residual Registered NTS Entry Capacity);
 - (iii) must make a proposal which is consistent with the proposal made under paragraph (a) such that the amount of System Capacity to be re-allocated to the new ASEP is equal to or greater than the amount of Transferred System Capacity re-allocated to the new ASEP under paragraph (i).
- 1.7 In the event a Bacton User:
- (a) does not submit a re-allocation notification in response to a re-allocation invitation;
 - (b) submits a re-allocation notification under paragraph 2.2 which specifies an amount of NTS Entry Capacity for cancellation which exceeds the Maximum Amount of the Bacton User's Relevant Registered NTS Entry Capacity for the relevant period;

- (c) submits a re-allocation notification which does not comply with paragraph 1.6(b) in respect of a relevant period;
- (d) does not propose in a re-allocation notification a re-allocation for a relevant period in respect of which the User holds Residual Registered NTS Entry Capacity;
- (e) in respect of a Relevant Transfer:
 - (i) does not make a proposal for the treatment of the Transferred System Capacity for a relevant period;
 - (ii) submits a re-allocation notification which does not comply with paragraph 1.6(c)(ii) or (iii) for a relevant period;
 - (iii) proposes an amount of Registered IP Capacity or Registered NTS Entry Capacity for the purposes of paragraph 1.6(c) which is in excess of the amount the User proposed be re-allocated as such under paragraph 1.6(a) for the relevant period

paragraph 1.8 shall apply.

1.8 Where this paragraph 1.8 applies:

- (a) pursuant to paragraph 1.7(a) or (d), the User shall be deemed for the purposes of this Part IIE to have proposed a re-allocation of the User's Residual Registered NTS Entry Capacity for the relevant period(s) as between the Bacton IP ASEP and the Bacton UKCS ASEP in the relevant proportions;
- (b) pursuant to paragraph 1.7(b), the User shall be deemed to have requested cancellation of the Maximum Amount for the relevant period;
- (c) pursuant to paragraph 1.7(c), the User shall be treated as having proposed a re-allocation of the Residual Registered NTS Entry Capacity in the same proportions as specified in the User's re-allocation notification for the relevant period (notwithstanding the amount re-allocated did not equal the User's Residual Registered NTS Entry Capacity for the relevant period);
- (d) pursuant to paragraph 1.7(e), the User shall be deemed for the purposes of this Part IIE to have proposed the Transferred System Capacity be treated as Registered IP Capacity and Registered NTS Entry Capacity for the relevant period(s)
 - (i) where the Bacton User proposed a re-allocation in respect of the Relevant Transfer Period which complies with paragraph 1.6(a) and (b), in the same proportions which the Bacton User proposed to re-allocate the Relevant Registered NTS Entry Capacity as Registered IP Capacity at the Bacton IP ASEP and Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;
 - (ii) in the event paragraph (i) does not apply, in the relevant proportions.

1.9 A re-allocation invitation issued under:

- (a) paragraph 2.1 shall be made in respect of all relevant periods in respect of which any Bacton User holds Relevant Registered NTS Entry Capacity;

- (b) paragraph 3.1 shall be made in respect of each relevant period in relation to which paragraph 2.4 does not apply.
- 1.10 Where all Bacton Users' Relevant Registered NTS Entry Capacity for all relevant periods is cancelled or re-allocated in accordance with paragraph 2.4 National Grid NTS shall not be required to issue a further re-allocation invitation in accordance with paragraph 3.
- 1.11 Where a Bacton User's Residual Registered NTS Entry Capacity at the Bacton ASEP for a relevant period is re-allocated in accordance with this Part IIE:
- (a) the Bacton User shall be treated as holding, with effect from 1 November 2015 Registered NTS IP Capacity at the Bacton IP ASEP and Registered NTS Entry Point Capacity at the Bacton UKCS ASEP for the relevant period in accordance with paragraph 4.1;
 - (b) in relation to a Relevant Transfer, and subject to paragraph 1.12:
 - (i) a Transferor Bacton User's Available System Capacity at a new ASEP on a Day in a Relevant Transfer Period is its Registered System Capacity at the new ASEP adjusted by deducting the relevant amount of System Capacity ; and
 - (ii) the Transferee Bacton User's Available NTS System Capacity at a new ASEP on a Day in a Relevant Transfer Period is its Registered System Capacity at the new ASEP adjusted by adding the relevant amount of the System Capacity;
 - (c) for the purposes of paragraph (b) the "**relevant amount**" of System Capacity is:
 - (i) the amount of the Transferred System Capacity which the Bacton User proposed be re-allocated as System Capacity at the new ASEP in a re-allocation notification; or
 - (ii) where paragraph 1.8(d) or 1.12 applies, the amount of Transferred System Capacity which the Bacton User is deemed to have proposed be re-allocated as System Capacity at the new ASEP.
- 1.12 Where in respect of a relevant period the amount of Registered IP Capacity or Registered NTS Entry Capacity re-allocated at a new ASEP following the application of paragraph 3.6(a)(i) or (b)(i) is less than the amount of Transferred System Capacity which the Transferor Bacton User proposed (or is deemed to have proposed under paragraph 1.8(d)) be re-allocated as System Capacity at the new ASEP, the User shall be deemed instead to have proposed a re-allocation of the Transferred System Capacity at the oversubscribed ASEP in an amount equal to the re-allocation of System Capacity under paragraph 3.6(a)(i) or (b)(i) and:
- (a) where the Transferor Bacton User is party to more than one Relevant Transfer the re-allocated Transferred System Capacity will be attributed to the Relevant Transfers pro rata:
 - (b) no re-allocation of the remainder of the Transferred System Capacity will be made at the other new ASEP.
- 1.13 For the purposes of the Code:

- (a) where a Bacton User submits a re-allocation notification issued under paragraph 2.1 and specifies an amount of Relevant Registered NTS Entry Capacity for cancellation or NTS Entry Capacity is cancelled in accordance with paragraph 3.7, the NTS Entry Capacity shall be cancelled and the Bacton User shall cease to:
 - (i) hold the cancelled Registered NTS Entry Capacity at the Bacton ASEP;
 - (ii) be liable for any Capacity Charges in respect of the cancelled Registered NTS Entry Capacity,
 for the relevant period;
- (b) following the re-allocation of NTS Entry Capacity at the Bacton ASEP in accordance with this Part IIE as IP Capacity at the Bacton IP ASEP and as NTS Entry Capacity at the Bacton UKCS ASEP each Bacton User shall cease to be treated as holding Relevant Registered NTS Entry Capacity at the Bacton ASEP in relation to any period after 31 October 2015.

2 Cancellation and Initial Capacity Re-allocation

- 2.1 By no earlier than seven (7) and no later than ten (10) Business Days following ~~completion of the allocation of Quarterly NTS Entry Capacity in accordance with TPD Section B2.2 pursuant to the annual invitation issued by National Grid NTS in February 2015~~ the Effective Date National Grid NTS will issue a re-allocation invitation.
- 2.2 A Bacton User may submit a re-allocation notification in response to the re-allocation invitation under paragraph 2.1 by no later than the date specified in the re-allocation invitation.
- 2.3 Subject to paragraph 2.4, following the closing of the re-allocation invitation under paragraph 2.1 National Grid NTS shall calculate, by reference to re-allocation notifications submitted under paragraph 2.2 (or deemed submitted under paragraph 1.8) for each relevant period, the aggregate amount of Residual Registered NTS Entry Capacity which Bacton Users propose be re-allocated as:
 - (a) Registered IP Capacity at the Bacton IP ASEP; and
 - (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP.
- 2.4 Where the amount of Residual Registered NTS Entry Capacity which Bacton Users propose be re-allocated in aggregate in relation to a relevant period as:
 - (a) Registered IP Capacity at the Bacton IP ASEP is less than or equal to the Obligated Entry Capacity for the Bacton IP ASEP for each Day in the relevant period; and
 - (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP is less than or equal to the Obligated Entry Capacity for the Bacton UKCS ASEP for each Day in the relevant period

NTS Entry Capacity shall be re-allocated to each Bacton User as Registered IP Capacity at the Bacton IP ASEP and as Registered NTS Entry Capacity at the Bacton UKCS ASEP in the amounts proposed by each Bacton User in the re-allocation notifications submitted under paragraph 2.2 (or deemed submitted under paragraph 1.8).

2.5 Where paragraph 2.4 does not apply in relation to a relevant period by reason of Bacton Users proposing to re-allocate in aggregate Residual Registered NTS Entry Capacity in an amount which exceeds the Obligated Entry Capacity at a new ASEP no re-allocation will be made under this paragraph 2 and National Grid NTS will issue a further re-allocation invitation in respect of such relevant period in accordance with paragraph 3.

3 Final Capacity Re-allocation

3.1 Where a further re-allocation is required in relation to a relevant period by no later than the date falling five (5) Business Days after completion of the re-allocation pursuant to paragraph 2 National Grid NTS will issue a further re-allocation invitation.

3.2 A Bacton User may submit a re-allocation notification in response to the re-allocation invitation under paragraph 3.1 by no later than the date specified in the re-allocation invitation.

3.3 Subject to paragraph 3.4, following the closing of the re-allocation invitation under paragraph 3.1 National Grid NTS shall calculate, by reference to re-allocation notifications submitted under paragraph 3.2 (or deemed submitted under paragraph 1.8) for each relevant period, the aggregate amount of Residual Registered NTS Entry Capacity which Bacton Users propose be re-allocated as:

- (a) Registered IP Capacity at the Bacton IP ASEP; and
- (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP.

3.4 In respect of any relevant period where the amount of Registered NTS Entry Capacity which Bacton Users propose be re-allocated in aggregate as:

- (a) Registered IP Capacity at the Bacton IP ASEP is less than or equal to the Obligated Entry Capacity for the Bacton IP ASEP for each Day in the month or quarter; and
- (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP is less than or equal to the Obligated Entry Capacity for the Bacton UKCS ASEP for each Day in the month or quarter

NTS Entry Capacity shall be re-allocated to each Bacton User Registered IP Capacity at the Bacton IP ASEP and Registered NTS Entry Capacity at the Bacton UKCS ASEP in the amounts proposed by each Bacton User in the re-allocation notifications submitted under paragraph 3.2 (or deemed submitted under paragraph 1.8).

3.5 Paragraph 3.6 shall apply in respect of any relevant period where paragraph 3.4 does not apply by reason of Bacton Users proposing to re-allocate in aggregate Residual Registered NTS Entry Capacity at a new ASEP in an amount which exceeds the Obligated Entry Capacity at the new ASEP ("**over-subscribed ASEP**") for a relevant period (such excess the "**over-subscribed amount**").

3.6 Where this paragraph applies in respect of a relevant period:

- (a) where the over-subscribed ASEP is the Bacton IP ASEP:
 - (i) a Bacton User who proposes to re-allocate Residual Registered NTS Entry Capacity at the Bacton IP ASEP as Registered IP Capacity will be allocated Registered IP Capacity pro rata the amounts proposed by all such Bacton Users, and Registered IP Capacity will be allocated to Bacton Users in

aggregate in an amount equal to the Obligated Entry Capacity at the Bacton IP ASEP for the relevant period;

- (ii) subject to paragraph (iv), a Bacton User who is allocated Registered IP Capacity under paragraph (i) will be allocated Registered NTS Entry Capacity at the Bacton UKCS ASEP in an amount equal to the remainder of the User's Residual Registered NTS Entry Capacity for the relevant period;
 - (iii) a Bacton User who did not propose to be re-allocated Registered IP Capacity at the Bacton IP ASEP will be allocated Registered NTS Entry Capacity at the Bacton UKCS ASEP in an amount equal to the User's Residual Registered NTS Entry Capacity for the relevant period;
 - (iv) where the Bacton User notified National Grid NTS that this paragraph (iv) should apply in the event of an over-subscription, the Bacton User shall be allocated Registered NTS Entry Point Capacity at the Bacton UKCS ASEP in an amount equal to the amount the User proposed be re-allocated as Registered NTS Entry Point Capacity in its re-allocation notification submitted in accordance with paragraph 3.2.
- (b) where the over-subscribed ASEP is the Bacton UKCS ASEP:
- (i) a Bacton User who proposes to re-allocate Residual Registered NTS Entry Capacity at the Bacton UKCS ASEP as Registered NTS Entry Capacity will be allocated Registered NTS Entry Capacity pro rata the amounts proposed by all such Bacton Users, and Registered NTS Entry Capacity will be allocated to Bacton Users in aggregate in an amount equal to the Obligated Entry Capacity at the Bacton UKCS ASEP for the relevant period;
 - (ii) subject to paragraph (iv), a Bacton User who is allocated Registered NTS Entry Capacity under paragraph (i) will be allocated Registered IP Capacity at the Bacton IP ASEP in an amount equal to the remainder of the User's Residual Registered NTS Entry Capacity for the relevant period;
 - (iii) a Bacton User who did not propose to be re-allocated Registered NTS Entry Capacity at the Bacton UKCS ASEP will be allocated Registered IP Capacity at the Bacton IP ASEP in an amount equal to the User's Residual Registered NTS Entry Capacity for the relevant period;
 - (iv) where the Bacton User notified National Grid NTS that this paragraph (iv) should apply in the event of an over-subscription, the Bacton User shall be allocated Registered IP Capacity at the Bacton IP ASEP in an amount equal to the amount the User proposed be re-allocated as Registered IP Capacity in its re-allocation notification submitted in accordance with paragraph 3.2.

3.7 Where paragraph 3.6(a)(iv) or (as the case may be) (b)(iv) applies in respect of a relevant period, an amount of the Registered NTS Entry Capacity equal to the difference between the NTS Entry Capacity allocated pursuant to that paragraph and that which would have been allocated under paragraph 3.6(a)(ii) or (iii) or (as the case may be) 3.6(b)(ii) or (iii) shall be cancelled.

4 Re-allocation and Notification

4.1 Following the re-allocation of all Bacton Users Residual Registered NTS Entry Capacity in accordance with paragraph 2 or (as the case may be) paragraph 3 a Bacton User will be treated as holding with effect from 1 November 2015:

- (a) for each relevant month in relation to which the User's Residual Registered NTS Entry Capacity is re-allocated:
 - (i) Registered Monthly IP Capacity at the Bacton IP ASEP in the amount re-allocated by National Grid NTS to the Bacton User for the relevant month; and
 - (ii) Registered Monthly NTS Entry Capacity at the Bacton UKCS ASEP in the amount re-allocated by National Grid NTS to the Bacton User for the relevant month

in each case in accordance with paragraph 2.4, 3.4 or 3.6;

- (b) for each relevant quarter in relation to which the User's Residual Registered NTS Entry Capacity is re-allocated:
 - (i) Registered Quarterly IP Capacity at the Bacton IP ASEP in the amount re-allocated by National Grid NTS to the Bacton User for the relevant quarter; and
 - (ii) Registered Quarterly NTS Entry Capacity at the Bacton UKCS ASEP in the amount re-allocated by National Grid NTS to the Bacton User for the relevant quarter

in each case in accordance with paragraph 2.4, 3.4 or 3.6.

4.2 National Grid NTS will by no later than five (5) days following the closing of a re-allocation invitation notify:

- (a) each Bacton User of each relevant period in respect of which the Bacton User's Residual Registered NTS Entry Capacity is re-allocated in accordance with paragraph 2.4, 3.4 or 3.6;
- (b) each Bacton User for each relevant quarter and relevant month specified under paragraph (a):
 - (i) the amount of NTS Entry Capacity re-allocated to the User as IP Capacity at the Bacton IP ASEP for the relevant period;
 - (ii) the amount of NTS Entry Capacity re-allocated to the User as Registered NTS Entry Capacity at the Bacton UKCS ASEP for the relevant period;
- (c) where the Bacton User is a Transferor Bacton User or a Transferee Bacton User, the amount of the Transferred System Capacity under a Relevant Transfer which is re-allocated as Registered IP Capacity at the Bacton IP ASEP and Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;

- (d) all Bacton Users for each relevant period in respect of which Relevant Registered NTS Entry Capacity is re-allocated:
 - (i) the aggregate amount of NTS Entry Capacity re-allocated to Bacton Users as IP Capacity at the Bacton IP ASEP; and
 - (ii) the aggregate amount of NTS Entry Capacity re-allocated to Bacton Users as Registered NTS Entry Capacity at the Bacton UKCS ASEP; and
- (e) in relation to an invitation under paragraph 2.1, all Bacton Users of each relevant period (if any) in respect of which a further re-allocation is to be undertaken in accordance with paragraph 3.

4.3 For the purposes of determining the NTS Entry Capacity Charges payable in respect of NTS Entry Capacity held by a Bacton User at the Bacton IP ASEP or the Bacton UKCS ASEP for a relevant period the Applicable Daily Rate shall be the weighted average of the Applicable Daily Rates payable by the Bacton User for Relevant Registered NTS Entry Capacity at the Bacton ASEP for the relevant period.

4.4 A System Entry Overrun Charge in respect of a new ASEP shall be calculated by reference to the greatest of:

- (a) the amounts listed at TPD Section B2.12.3(a) to (e) (inclusive); and
- (b) $8 * \text{the weighted average of the Applicable Daily Rates for the relevant period in which the Day in relation to which the System Entry Overrun Charge is payable falls.}$

5 Dis-application of TPD Section B during Re-allocation process

5.1 In respect of the Bacton ASEP:

- (a) with effect from the date on which National Grid NTS issues a re-allocation invitation in accordance with paragraph 2.1 a Bacton User shall not be permitted to make a System Capacity Transfer in respect of Registered NTS Entry Capacity for any Day after 31 October 2015;
- (b) National Grid NTS shall not be required to:
 - (i) issue any Tender Invitation Notice under TPD Section B2.8 for any period after 31 October [24052015](#);
 - (ii) hold an auction for Monthly NTS Entry Capacity under TPD Section B2.3 for any month after October 2015; and
 - (iii) hold an auction for Daily NTS Entry Capacity or Daily Interruptible NTS Entry Capacity under TPD Section B2.4 or 2.5 for any day after 31 October 2015.

5.2 In respect of the Bacton UKCS ASEP:

- (a) a Bacton User shall not be permitted to make a System Capacity Transfer in respect of Registered NTS Entry Capacity prior to the end of the re-allocation period;

- (b) National Grid NTS shall not be required to issue any Tender Invitation Notice under TPD Section B2.8 for any period after 31 October 2015 prior to the end of the re-allocation period.

5.3 In respect of the Bacton IP ASEP:

- (a) a Bacton User shall not be permitted to make a System Capacity Transfer in respect of Registered IP Capacity prior to the end of the re-allocation period;
- (b) National Grid NTS shall not be required to issue any Tender Invitation Notice under TPD Section B2.8 for any period after 31 October 2015 prior to the end of the re-allocation period.

5.4 During the re-allocation period any other provision of the Code which would in any particular case conflict with the implementation of this Part IIE shall to that extent not apply.

6 Transitional Rules in relation to Re-allocated Capacity

6.1 This paragraph 6 shall apply for as long as a Bacton User is Registered as holding System Capacity at a new ASEP which includes Re-allocated Capacity.

6.2 For the purposes of this paragraph 6 a Bacton User's:

- (a) **"Re-allocated Capacity"** in relation to a new ASEP means System Capacity which the Bacton User is Registered as holding on a Day at that new ASEP in accordance with paragraph 4.1; and the **"Adjusted"** Re-allocated Capacity in relation to a new ASEP means System Capacity which the Bacton User holds at the new ASEP after taking into account the re-allocation of any Relevant Transfer in accordance with paragraph 1.11;
- (b) **"New Capacity"** in relation to a new ASEP means System Capacity which the Bacton User is Registered as holding on a Day at that new ASEP which is not Re-allocated Capacity;
- (c) **"Unused Capacity"** at a new ASEP for a Day is the amount by which the lesser of the Bacton User's (i) Adjusted Re-allocated Capacity and (ii) Available System Capacity at the new ASEP on the Day exceeds the sum of the Bacton User's UDQI's on that Day in respect of System Entry Points comprised in the new ASEP;
- (d) **"utilised"** Unused Capacity at a new ASEP on a Day means Unused Capacity which was taken into account pursuant to paragraph 6.3 for the purposes of a Bacton User avoiding (or reducing) a System Entry Overrun Charge for that Day at the other new ASEP and **"unutilised"** Unused Capacity at a new ASEP on a Day means the Bacton User's Unused Capacity which was not utilised.

6.3 For the purposes of TPD Section B2.12.1 a Bacton User's Available NTS Entry Capacity (determined as Fully Adjusted) on a Day at a new ASEP shall be increased by an amount equal to the Bacton User's Unused Capacity for that Day (if any) at the other new ASEP.

6.4 In respect of a Day on which a Bacton User holds New Capacity comprising bundled IP Capacity at the Bacton IP ASEP which exceeds the sum of the Bacton User's unutilised Unused Capacity at each new ASEP on that Day, National Grid NTS shall pay the Bacton User an amount equal to the NTS Entry Capacity Charges payable in respect of the unutilised

Unused Capacity (and such payment shall be made as soon as reasonably practicable and in accordance with TPD Section S).

6.5 In relation to any System Capacity Transfer at a new ASEP the Transferred System Capacity shall be treated for the purposes of this paragraph 6 as comprising:

- (a) first New Capacity (to the extent the Bacton User holds New Capacity);
- (b) second, where the Transferred System Capacity exceeds the Transferor's New Capacity, Re-allocated Capacity.

6.6 For the purposes of TPD Sections 2.3 and 2.10, where a Bacton User submits a surrender offer in respect of the Bacton UKCS ASEP the amount of System Capacity offered for surrender shall be treated for the purposes of this paragraph 6 as comprising:

- (a) first New Capacity (to the extent the User holds New Capacity);
- (b) second, where the amount offered for surrender exceeds the User's New Capacity, Re-allocated Capacity.

6.7 For the purposes of EID Section B7.2, where a Bacton User submits a surrender offer in respect of the Bacton IP ASEP the amount of System Capacity offered for surrender shall be treated for the purposes of this paragraph 6 as comprising:

- (a) where the Surrender Offer is in respect of unbundled IP Capacity;
 - (i) first New Capacity (to the extent the Bacton User holds New Capacity) which comprises unbundled IP Capacity;
 - (ii) second, where the amount offered for surrender exceeds the Bacton User's New Capacity, Re-allocated Capacity which comprises unbundled IP Capacity;
- (b) where the Surrender Offer is in respect of bundled IP Capacity;
 - (i) first New Capacity (to the extent the Bacton User holds New Capacity) which comprises bundled IP Capacity;
 - (ii) second, where the amount offered for surrender exceeds the Bacton User's New Capacity, Re-allocated Capacity which comprises bundled IP Capacity.