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Dear Colleague

Annual Monthly System Entry Capacity (AMSEC) Auction

Invitation to Participate in an Auction for the Capacity Period April 2015 to September 2016

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 2015 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 2015 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, I would draw your attention to modification UNC0501 (and all alternate modifications 0501A, 0501B and 0501C) – Treatment of Existing Entry Capacity Rights at the Bacon ASEP to comply with EU Capacity regulations

Users may make applications for MSEC for each calendar month for the capacity period 1st April 2015 to 30th September 2016 (inclusive).

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

- **Monday** **9th February 2015** **(Tranche 1)**
- **Thursday** **12th February 2015** **(Tranche 2)**
- **Tuesday** **17th February 2015** **(Tranche 3)**
- **Friday** **20th February 2015** **(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 An MSEC bid may be withdrawn or amended until, but not after, 17:00.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 the Entry Capacity Release Methodology Statement effective from 1st January 2014, paragraph 57. 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.

Please note that where there is no or insufficient surrendered NTS Entry Capacity available at Bacton, National Grid may also in its sole discretion make available additional NTS Entry Capacity to Users.

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 2014 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 2015 to 30 Sep 2015 and 01 Oct 2015 to 30 Sep 2016 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/>

Select the following criteria:

Auction Type: Annual Monthly System Entry Capacity;
Report Type: Results (by Tranche);
From: April 2015;
To: September 2016

- 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.

Annual Monthly System Entry Capacity (AMSEC) Surrender Auction

Pursuant to TPD Section B Annex B-3 of the Uniform Network Code, National Grid invited Users to submit surrender offers in kWh/day at the Bacton ASEP, via a surrender window, for inclusion within an AMSEC surrender auction. Where there are unallocated Tranche 4 bids and these bids can be satisfied through the acceptance of a surrender offer(s) this will be done via an AMSEC surrender auction.

The surrender window closed at 17:00 on the 9th January 2015 and the aggregate quantity of NTS Entry capacity that Users have offered to surrender, in respect of the Bacton ASEP, for each surrender period (month), is zero, this is shown in Table Two attached to this invitation letter.

Following the completion of an AMSEC surrender auction and no later than one business day prior to the 1 April 2015 National Grid will publish the following for the Bacton ASEP on the National Grid website via <http://www2.nationalgrid.com/uk/industry-information/gas-transmission-system-operations/capacity/entry-capacity-auction/>

Select the following criteria:

Auction Type: Annual Monthly System Entry Capacity;
Report Type: Offers;
From: April 2015;
To: September 2016

- Weighted average price of all accepted bids
- Weighted average price of highest 50% of accepted bids
- Aggregate volume of allocated NTS Entry Capacity
- 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

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 Joint Office 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.

Words and expressions which are capitalised but not defined in this invitation notice but which are defined in the UNC shall have the meanings given to them in the UNC document.

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,

Helen Bennett
Market Operation
National Grid

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

Month	Avonmouth	Bacton	Burton Point	Barrow	Barton Stacey	Canonbie
	(AV)	(BA)	(BP)	(BR)	(BS)	(CB)
Apr-15	179,300,000	1,731,623,180	40,439,552	279,370,180	82,600,000	-
May-15	179,300,000	1,731,623,180	40,439,552	279,370,180	82,600,000	-
Jun-15	179,300,000	1,731,623,180	40,439,552	279,370,180	82,600,000	-
Jul-15	179,300,000	1,737,514,884	42,775,032	289,184,644	82,600,000	-
Aug-15	179,300,000	1,737,514,884	42,775,032	289,184,644	82,600,000	-
Sep-15	179,300,000	1,737,514,884	42,775,032	289,184,644	82,600,000	-
Oct-15	179,300,000	909,590,169	45,089,982	249,607,216	82,600,000	-
Nov-15	179,300,000	909,590,169	45,089,982	249,607,216	82,600,000	-
Dec-15	179,300,000	909,590,169	45,089,982	249,607,216	82,600,000	-
Jan-16	179,300,000	607,838,200	47,350,946	30,910,000	82,600,000	-
Feb-16	179,300,000	607,838,200	47,350,946	30,910,000	82,600,000	-
Mar-16	179,300,000	607,838,200	47,350,946	30,910,000	82,600,000	-
Apr-16	179,300,000	1,720,335,424	49,473,985	277,940,979	82,600,000	-
May-16	179,300,000	1,720,335,424	49,473,985	277,940,979	82,600,000	-
Jun-16	179,300,000	1,720,335,424	49,473,985	277,940,979	82,600,000	-
Jul-16	179,300,000	1,721,685,896	51,480,747	281,618,456	82,600,000	-
Aug-16	179,300,000	1,721,685,896	51,480,747	281,618,456	82,600,000	-
Sep-16	179,300,000	1,721,685,896	51,480,747	281,618,456	82,600,000	-

Month	Cheshire	Caythorpe	Dynevor Arms	Easington	Fleetwood	Glenmavis
	(CH)	(CT)	(DA)	(EA)	(FL)	(GM)
Apr-15	140,243,200	-	49,000,000	1,061,994,532	650,000,000	99,000,000
May-15	140,243,200	-	49,000,000	1,062,894,532	650,000,000	99,000,000
Jun-15	140,243,200	-	49,000,000	1,063,694,532	650,000,000	99,000,000
Jul-15	140,243,200	-	49,000,000	1,073,000,672	650,000,000	99,000,000
Aug-15	140,243,200	-	49,000,000	1,074,300,672	650,000,000	99,000,000
Sep-15	140,243,200	-	49,000,000	1,059,800,672	650,000,000	99,000,000
Oct-15	28,590,000	-	49,000,000	301,227,828	650,000,000	99,000,000
Nov-15	28,590,000	-	49,000,000	301,227,828	650,000,000	99,000,000
Dec-15	28,590,000	-	49,000,000	301,227,828	650,000,000	99,000,000
Jan-16	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
Feb-16	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
Mar-16	28,590,000	-	49,000,000	106,200,000	650,000,000	99,000,000
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	1,097,152,664	650,000,000	99,000,000
Sep-16	28,590,000	-	49,000,000	1,097,152,664	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-15	-	13,160,000	300,000	35,000,000	25,000,000	147,080,000
May-15	-	13,160,000	300,000	35,000,000	25,000,000	147,080,000
Jun-15	-	13,160,000	300,000	35,000,000	25,000,000	147,080,000
Jul-15	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Aug-15	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Sep-15	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Oct-15	-	13,160,000	300,000	35,000,000	25,000,000	43,840,000
Nov-15	-	13,160,000	300,000	35,000,000	25,000,000	43,840,000
Dec-15	-	13,160,000	300,000	35,000,000	25,000,000	43,840,000
Jan-16	-	13,160,000	300,000	27,310,000	3,000,000	43,840,000
Feb-16	-	13,160,000	300,000	27,310,000	3,000,000	43,840,000
Mar-16	-	13,160,000	300,000	27,310,000	3,000,000	43,840,000
Apr-16	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
May-16	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Jun-16	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Jul-16	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Aug-16	-	13,160,000	300,000	233,100,000	25,000,000	147,080,000
Sep-16	-	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-15	-	215,000,000	1,515,289,504	232,942,980	584,405,948	3,300,000
May-15	-	215,000,000	1,515,289,504	234,042,980	585,605,948	3,300,000
Jun-15	-	215,000,000	1,515,289,504	234,042,980	584,605,948	3,300,000
Jul-15	-	215,000,000	1,553,854,080	234,770,536	586,205,948	3,300,000
Aug-15	-	215,000,000	1,553,854,080	234,770,536	584,805,948	3,300,000
Sep-15	-	215,000,000	1,553,854,080	234,770,536	587,205,948	3,300,000
Oct-15	-	215,000,000	1,180,605,045	213,769,460	586,305,950	3,300,000
Nov-15	-	215,000,000	1,180,605,045	213,769,460	586,305,950	3,300,000
Dec-15	-	215,000,000	1,180,605,045	213,769,460	586,305,950	3,300,000
Jan-16	-	215,000,000	1,186,720,692	236,910,800	588,636,213	3,300,000
Feb-16	-	215,000,000	1,186,720,692	236,910,800	588,636,213	3,300,000
Mar-16	-	215,000,000	1,186,720,692	236,910,800	588,636,213	3,300,000
Apr-16	-	215,000,000	1,548,897,093	261,254,162	589,036,213	3,300,000
May-16	-	215,000,000	1,548,897,093	261,254,162	589,036,213	3,300,000
Jun-16	-	215,000,000	1,548,897,093	261,254,162	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	263,622,002	590,036,213	3,300,000
Sep-16	-	215,000,000	1,559,473,952	263,622,002	590,036,213	3,300,000

Table Two – Aggregate amount of Monthly NTS Entry Capacity offered for surrender (kWh/d)

Month	Bacton (BA)
Apr-15	0
May-15	0
Jun-15	0
Jul-15	0
Aug-15	0
Sep-15	0
Oct-15	0
Nov-15	0
Dec-15	0
Jan-16	0
Feb-16	0
Mar-16	0
Apr-16	0
May-16	0
Jun-16	0
Jul-16	0
Aug-16	0
Sep-16	0