

Market Operation

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www.nationalgrid.com

[Monday 1st June 2015]

Dear [User A]

Bacton Capacity Initial Reallocation Invitation Process
Invitation to participate in the Initial Capacity Reallocation of existing Registered NTS Entry
Capacity at Bacton from 1 November 2015 onwards

Following implementation of UNC modification 0501 and pursuant to TPD [Section B] of the Uniform Network Code, National Grid Gas plc ("National Grid") invites you to take part in the Bacton Capacity Initial Reallocation Invitation Process to reallocate your existing Registered NTS Entry Capacity at the Bacton ASEP to the Bacton UKCS or Bacton IP ASEPs for the months from 1 November 2015 until 30 September 2016 and for the quarters from 1 October 2016 until 30 September 2031.

Your existing Registered NTS Entry Capacity rights at the Bacton ASEP and the existing weighted average price for that capacity for the relevant periods are as given in the following table:

BA Code:	AAA	Shipper Name:	User A
Sub-transaction period start date	Sub-transaction period end date	Existing Registered NTS Entry Capacity at Bacton ASEP (kWh/d)	Existing weighted average price (p/kWh/d)
1 November 2015	30 November 2015		
1 December 2015	31 December 2015		
1 January 2016	31 January 2016		
1 February 2016	29 February 2016		
1 March 2016	31 March 2016		
1 April 2016	30 April 2016		
1 May 2016	31 May 2016		
1 June 2016	30 June 2016		
1 July 2016	31 July 2016		
1 August 2016	31 August 2016		
1 September 2016	30 September 2016		
1 October 2016	31 December 2016	400,000,000	0.0009
1 January 2017	31 March 2017	400,000,000	0.0009
1 April 2017	30 June 2017	10,000,000	0.0004
1 July 2017	30 September 2017	10,000,000	0.0004
1 October 2017	31 December 2017	400,000,000	0.0008

BA Code:	AAA	Shipper Name:	User A
Sub-transaction period start date	Sub-transaction period end date	Existing Registered NTS Entry Capacity at Bacton ASEP (kWh/d)	Existing weighted average price (p/kWh/d)
1 January 2018	31 March 2018	400,000,000	0.0008
1 April 2018	30 June 2018	10,000,000	0.0004
1 July 2018	30 September 2018	10,000,000	0.0004
1 October 2018	31 December 2019		
1 January 2019	31 March 2019		
1 April 2019	30 June 2019		
1 July 2019	30 September 2019		
1 October 2019	31 December 2019		
1 January 2020	31 March 2020		
1 April 2020	30 June 2020		
1 July 2020	30 September 2020		
1 October 2020	31 December 2020		
1 January 2021	31 March 2021		
1 April 2021	30 June 2021		
1 July 2021	30 September 2021		
1 October 2021	31 December 2021		
1 January 2022	31 March 2022		
1 April 2022	30 June 2022		
1 July 2022	30 September 2022		
1 October 2022	31 December 2022		
1 January 2023	31 March 2023		
1 April 2023	30 June 2023		
1 July 2023	30 September 2023		
1 October 2023	31 December 2023		
1 January 2024	31 March 2024		
1 April 2024	30 June 2024		
1 July 2024	30 September 2024		
1 October 2024	31 December 2024		
1 January 2025	31 March 2025		
1 April 2025	30 June 2025		
1 July 2025	30 September 2025		
1 October 2025	31 December 2025		
1 January 2026	31 March 2026		
1 April 2026	30 June 2026		
1 July 2026	30 September 2026		
1 October 2026	31 December 2026		
1 January 2027	31 March 2027		
1 April 2027	30 June 2027		
1 July 2027	30 September 2027		
1 October 2027	31 December 2027		
1 January 2028	31 March 2028		

BA Code:	AAA	Shipper Name:	User A
Sub-transaction period start date	Sub-transaction period end date	Existing Registered NTS Entry Capacity at Bacton ASEP (kWh/d)	Existing weighted average price (p/kWh/d)
1 April 2028	30 June 2028		
1 July 2028	30 September 2028		
1 October 2028	31 December 2028		
1 January 2029	31 March 2029		
1 April 2029	30 June 2029		
1 July 2029	30 September 2029		
1 October 2029	31 December 2029		
1 January 2030	31 March 2030		
1 April 2030	30 June 2030		
1 July 2030	30 September 2030		
1 October 2030	31 December 2030		
1 January 2031	31 March 2031		
1 April 2031	30 June 2031		
1 July 2031	30 September 2031		

Please could you indicate at which ASEP (Bacton UKCS or Bacton IP) you wish these existing Registered NTS Entry Capacity rights to be held in future for the relevant periods indicated using the attached proforma included within Appendix 1. Note that the total quantity of NTS Entry Capacity requested at the two new ASEPs (Bacton UKCS and Bacton IP) should be equal to the existing amount held at the Bacton ASEP for each relevant period.

Also note that if an amount is to be reallocated to one of the new ASEPs (Bacton UKCS or Bacton IP), it must be for a quantity not less than 100,000 kWh/day (the Minimum Eligible Amount).

The completed proforma should be returned to National Grid by 1700hrs [29th June 2015] via the following facsimile number:

Direct fax: +44 (0)1926 654059

If you do not respond by the required date, National Grid will assume that you wish to reallocate your Registered NTS Entry Capacity for each of the relevant months or quarters for which you hold Registered NTS Entry Capacity between the Bacton UKCS ASEP and the Bacton IP ASEP in the same proportion as given by the new Licence Obligated levels at the two ASEPs.

By [6th July 2015], National Grid will undertake the Initial Capacity Reallocation process which consists of the following steps:

- a. National Grid will calculate the aggregate level of NTS Entry Capacity rights requested by Users for each Month/Quarter at the Bacton UKCS ASEP and the Bacton IP ASEP
- b. Provided that the aggregate level of NTS Entry Capacity rights requested is above the Minimum Eligible Amount and below the relevant Obligated level of NTS Entry Capacity at each of the Bacton UKCS ASEP and the Bacton IP ASEP for a given Month/Quarter, National Grid will allocate that NTS Entry Capacity in accordance with the User's individual requests
- c. If in any Month/Quarter and at either ASEP, the aggregate level of NTS Entry Capacity rights is above the relevant Obligated level of NTS Entry Capacity, National Grid will not allocate any NTS Entry Capacity rights to Users for that Month or Quarter (but will allocate for the other Months or Quarters that are below the obligated level)
- d. National Grid will fax the aggregate results of the Initial Capacity Reallocation to all Users, and will fax the individual reallocations to the individual User for each of the two new ASEPs in the form:

- i. Relevant Months or Quarters
 - ii. ASEP
 - iii. Quantity in kWh/day allocated
- e. National Grid will also inform relevant Users of any Months or Quarters which are not reallocated as the aggregate level of NTS Entry Capacity rights requested was above the relevant Obligated level of NTS Entry Capacity at either new ASEP and therefore that a second invitation (the Bacton Capacity Final Reallocation Invitation) will be issued.
- f. Gemini will be updated.
- g. Aggregate results will be published via MIPI

If the Initial Capacity Reallocation fully reallocates all existing Registered NTS Entry Capacity for all Months/Quarters to the two new ASEPs, National Grid will undertake the reallocation of Registered NTS Entry Capacity at the Bacton ASEP on your behalf as per your request. This will not require any User to undertake any actions on National Grid's systems or for National Grid to issue any general invitation to Users. In this instance the process will be completed by [20th July 2015].

If, however, the Initial Capacity Reallocation does not fully reallocate all existing NTS Entry Capacity for all Months/Quarters to the two new ASEPs, National Grid will issue on [3rd August 2015] a Bacton Capacity Final Reallocation Invitation to all Users who at that time hold Registered NTS Entry Capacity at the Bacton ASEP for the particular Months/Quarters affected to re-indicate where they would wish their Registered NTS Entry Capacity rights to be held in future; either at the Bacton UKCS ASEP or the Bacton IP ASEP. If this is the case, the Final Capacity Reallocation will take place by [8th September 2015] such that the whole process is anticipated to be completed by [22nd September 2015].

Please note that this message is being sent via web-fax (business hours operational list). An Automated Notification Service (ANS) message will also be issued informing users that the invitation has been published.

For avoidance of doubt, expressions used within this Invitation Letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries regarding this application process please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at capacityauctions@nationalgrid.com

Yours Sincerely,

Market Operation, National Grid

APPENDIX 1

Bacton Reallocation Process – Initial Capacity Reallocation

Capacity Team, Warwick	Tel: 01926 65 4057	Fax: 01926 65 4059
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BA Code: (i.e. Gemini 3 letter code) _____ Shipper Name _____			
confirm that the following firm entitlements are to be reallocated to the Bacton UKCS or Bacton IP ASEP in accordance with UNC Transportation Principal Document [Section B].			
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity to be registered at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity to be registered at Bacton IP ASEP (kWh/d)
1 November 2015	30 November 2015		
1 December 2015	31 December 2015		
1 January 2016	31 January 2016		
1 February 2016	29 February 2016		
1 March 2016	31 March 2016		
1 April 2016	30 April 2016		
1 May 2016	31 May 2016		
1 June 2016	30 June 2016		
1 July 2016	31 July 2016		
1 August 2016	31 August 2016		
1 September 2016	30 September 2016		
1 October 2016	31 December 2016		
1 January 2017	31 March 2017		
1 April 2017	30 June 2017		
1 July 2017	30 September 2017		
1 October 2017	31 December 2017		
1 January 2018	31 March 2018		
1 April 2018	30 June 2018		
1 July 2018	30 September 2018		
1 October 2018	31 December 2019		
1 January 2019	31 March 2019		
1 April 2019	30 June 2019		
1 July 2019	30 September 2019		
1 October 2019	31 December 2019		
1 January 2020	31 March 2020		
1 April 2020	30 June 2020		
1 July 2020	30 September 2020		
1 October 2020	31 December 2020		
1 January 2021	31 March 2021		
1 April 2021	30 June 2021		
1 July 2021	30 September 2021		

BA Code: (i.e. Gemini 3 letter code) _____

Shipper Name _____

confirm that the following firm entitlements are to be reallocated to the **Bacton UKCS or Bacton IP ASEP** in accordance with UNC Transportation Principal Document [Section B].

Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity to be registered at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity to be registered at Bacton IP ASEP (kWh/d)
1 October 2021	31 December 2021		
1 January 2022	31 March 2022		
1 April 2022	30 June 2022		
1 July 2022	30 September 2022		
1 October 2022	31 December 2022		
1 January 2023	31 March 2023		
1 April 2023	30 June 2023		
1 July 2023	30 September 2023		
1 October 2023	31 December 2023		
1 January 2024	31 March 2024		
1 April 2024	30 June 2024		
1 July 2024	30 September 2024		
1 October 2024	31 December 2024		
1 January 2025	31 March 2025		
1 April 2025	30 June 2025		
1 July 2025	30 September 2025		
1 October 2025	31 December 2025		
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1 July 2026	30 September 2026		
1 October 2026	31 December 2026		
1 January 2027	31 March 2027		
1 April 2027	30 June 2027		
1 July 2027	30 September 2027		
1 October 2027	31 December 2027		
1 January 2028	31 March 2028		
1 April 2028	30 June 2028		
1 July 2028	30 September 2028		
1 October 2028	31 December 2028		
1 January 2029	31 March 2029		
1 April 2029	30 June 2029		
1 July 2029	30 September 2029		
1 October 2029	31 December 2029		
1 January 2030	31 March 2030		
1 April 2030	30 June 2030		
1 July 2030	30 September 2030		
1 October 2030	31 December 2030		
1 January 2031	31 March 2031		

BA Code: (i.e. Gemini 3 letter code) _____ Shipper Name _____ confirm that the following firm entitlements are to be reallocated to the Bacton UKCS or Bacton IP ASEP in accordance with UNC Transportation Principal Document [Section B].			
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity to be registered at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity to be registered at Bacton IP ASEP (kWh/d)
1 April 2031	30 June 2031		
1 July 2031	30 September 2031		

Please complete:

Fax Originated By		Fax Received By	
Company		On Behalf Of	National Grid
Signature		Signature	
Position		Position	
Date		Date	
Tel No		Tel No	01926 65 4057
Fax No		Fax No	01926 65 4059

Please note: Illegibility and/or failure to complete the proforma correctly will result in NON input of data and the return of the form to the originator

National Grid Gas plc. Registered in England. No 2006000. Registered Office 1-3, Strand, London, WC2N 5EH