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## ENDURING NTS GAS OFFTAKE ARRANGEMENTS – OVERVIEW OF PROPOSED MODEL

### INTRODUCTION

1. This paper provides an overview of National Grid NTS' proposed enduring NTS gas offtake arrangements. It is intended to highlight the relevant features of the model (with details specified in supporting Business Rules) to support discussions with the industry ahead of changes being formally raised to the commercial framework to seek implementation of the enduring arrangements.
2. The proposed model has been developed following extensive discussions at Ofgem's Enduring Offtake Working Group meetings to support assessment of the relative benefits of such a model compared to the current offtake arrangements and alternatives such as the model put forward as part of the "Towards A New Industry Framework" (TANIF) consultation which concluded early 2005<sup>1</sup>.

### KEY ASSUMPTIONS

3. This model has been developed based on the following key assumptions underpinning the enduring NTS offtake arrangements:
  - common NTS exit capacity services should be made available to all Users (shippers and DNOs) to avoid the scope for undue discrimination and meet EU Gas Regulation requirements;
  - "pay-as-bid" release mechanisms should be used where investment cannot be completed in time (or is unlikely to be efficient) as a means of seeking to minimise the risk of any potential undue discrimination in the allocation of constrained amounts of capacity;
  - capacity products embracing the concept of "flexibility" utilisation should be implemented that will support efficient and economic network operation;
  - a "User commitment model" should be promoted requiring UNC (and non-UNC) Users to provide financially backed signals for capacity requirements to minimise the risk of investment inefficiencies and, in the extreme, asset stranding;
  - system investments to deliver incremental capacity at NTS Exit Points can be completed within a 3 year investment lead time.<sup>2</sup>

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<sup>1</sup> The TANIF model was developed consistent with the Ofgem "Option 2a model" that was recommended in the Ofgem final decision document on DN sales (Feb 2005).

<sup>2</sup> In the event that a default lead time of 4 years as opposed to 3 years is agreed as part of the transmission price control, then National Grid NTS will only accept applications for incremental capacity within 4 years where it is able to deliver such requirements.

## HIGH LEVEL DESCRIPTION OF EXIT ARRANGEMENTS

4. The following sub-sections describe the key attributes and characteristics of the proposed enduring NTS offtake arrangements.

## DEFINITION OF ACCESS RIGHTS

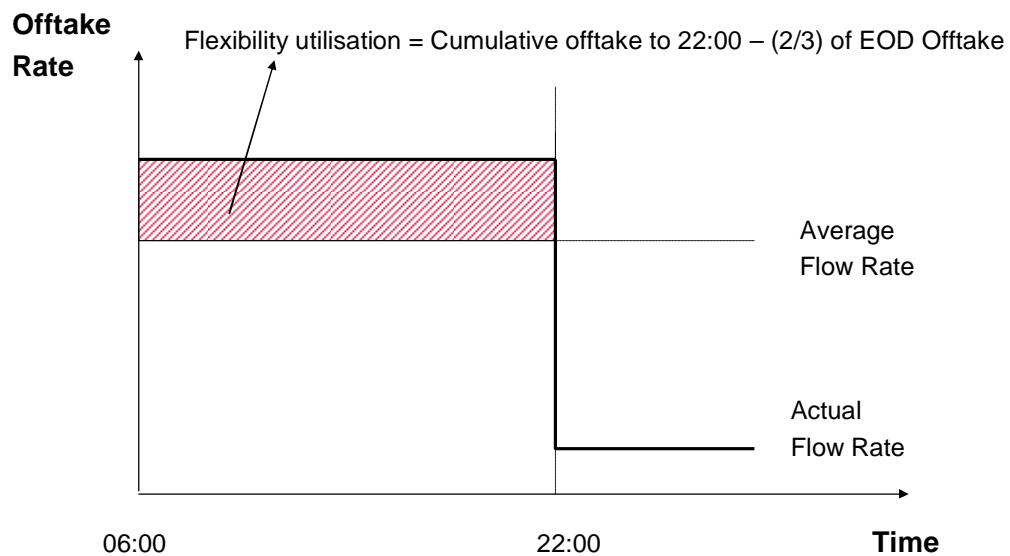
5. National Grid NTS will make available two separate types of NTS Exit Capacity products to UNC Users ("Users"); NTS Exit (Flat) Capacity at NTS Exit Points and NTS Exit (Flexibility) Capacity at NTS Exit Zones. These products are described in the tables below.

Type	NTS Exit (Flat) Capacity
<b>Rights</b>	Right to offtake a daily quantity of gas within a User's holding without any risk of a Flat overrun charge
<b>Location</b>	Nodal i.e. per NTS Exit Point
<b>Products</b>	<ul style="list-style-type: none"> <li>• "Prevailing NTS Exit (Flat) Capacity" - Firm NTS Exit (Flat) Capacity which may be applied for and registered as held by a User for every Day until the User provides a notice to reduce its prevailing rights</li> <li>• "Annual NTS Exit (Flat) Capacity" - Firm NTS Exit (Flat) Capacity which may be applied for and registered as held by a User for each Day in a Gas Year</li> <li>• "Daily NTS Exit (Flat) Capacity" - Firm NTS Exit (Flat) Capacity which may be applied for and registered as held by a User for a Day only</li> <li>• "Daily Interruptible NTS Exit (Flat) Capacity" - Interruptible Daily NTS Exit (Flat) Capacity which may be applied for and registered as held by a User for a Day only</li> </ul>

Type	NTS Exit (Flexibility) Capacity
<b>Rights</b>	<p>Right to use an amount of flexibility on a gas day less than the NTS Exit (Flexibility) Capacity holding without any risk of incurring an overrun.</p> <p>As described in more detail in the overrun charge section, the flexibility utilisation on a gas day will be based on the difference between the cumulative quantity of gas offtaken between 06:00 and 22:00 and 2/3 of the daily quantity (see figure 1).</p>

<b>Location</b>	Zonal i.e. per NTS Exit Zone (as defined in Appendix 1.)
<b>Products</b>	<ul style="list-style-type: none"> <li>• "Annual NTS Exit (Flexibility) Capacity" - Firm NTS Exit (Flexibility) Capacity which may be applied for and registered as held by a User for each Day in a Gas Year</li> <li>• "Daily NTS Exit (Flexibility) Capacity" - Firm NTS Exit (Flexibility) Capacity which may be applied for and registered as held by a User for a Day only</li> </ul>

**Figure 1. NTS Exit (Flexibility) Capacity Utilisation**



## REGISTRATION OF ACCESS RIGHTS

6. A User may apply for and be registered as holding NTS Exit (Flat) Capacity products at any NTS Exit Point or NTS Exit (Flexibility) Capacity products at any NTS Exit Zone, subject to satisfactory credit checks. In addition Users are able to obtain capacity through “trading”.
7. Non UNC parties may reserve Prevailing NTS Exit (Flat) Capacity at any NTS Exit Point through execution of an Advanced Reservation of Capacity Agreement (ARCA).

### NTS Exit (Flat) Capacity

<b>Participants</b>	UNC Users
<b>Registration</b>	<p><b><u>Unconstrained release (beyond investment lead-times)</u></b></p> <p><i>Applications to increase Prevailing NTS Exit (Flat) Capacity</i></p> <p>A User may apply for new (if no previous holdings) or additional “Prevailing NTS Exit (Flat) Capacity” rights at the annual Application Window in [July] in Gas Year Y for use from Gas Year Y+4 onwards.</p> <p>National Grid NTS will accept such applications within [2 months], subject to Authority approval (as described below) and register the User as holding the requested new total amount of Prevailing NTS Exit (Flat) Capacity rights for Gas Year Y+4 to Gas Year Y+[7] (inclusive) i.e. the User is committed to pay [4]<sup>3</sup> years of NTS Exit (Flat) Capacity charges based on the new total level of its prevailing rights holding (see figure 2). Applications for reductions in capacity (as described below) will not be permitted for such registered amounts of capacity.</p> <p>In the event that acceptance of such applications for additional Prevailing NTS Exit (Flat) Capacity would result in the aggregate level at an NTS Exit Point to be above the baseline from Gas Year Y+4, then National Grid NTS will apply to the Authority requesting the release of incremental exit capacity to ensure remuneration for any required investments. As part of this application, National Grid NTS may request baseline reductions at other NTS Exit Points to avoid or reduce resulting investment costs by removing the obligation to sell any unsold capacity (to be detailed in the IExCR Methodology Statement).</p> <p><i>Transitional arrangements</i></p> <p>At the first annual Application Window in [July] 2007, Users will be able to apply for “Initial Prevailing NTS Exit (Flat) Capacity” rights up to:</p>

<sup>3</sup> The number of years of the required commitment to underpin system investments will be part of the enduring Incremental Exit Capacity Release Methodology Statement and will require Authority approval.

	<ul style="list-style-type: none"> <li>➤ For Direct Connects – Users will be able to book as their Initial Prevailing NTS (Exit) Capacity any amount up to its maximum NTS Exit Capacity booking for Winter 2005/06</li> <li>➤ NTS/LDZ Offtakes – DNOs will be able to book as their Initial Prevailing NTS (Exit) Capacity any amount up to its NTS Offtake (Flat) Capacity booking for Gas Year 2009/10 (to be specified in the Sept 2006 Offtake Capacity Statement)</li> </ul> <p><i>Applications to decrease Prevailing NTS Exit (Flat) Capacity</i></p> <p>At the annual Application Window in Gas Year Y, if a User holds “Prevailing NTS Exit (Flat) Capacity” and does not notify, or has not previously notified, National Grid NTS of a reduction, then it will be registered as holding NTS Exit (Flat) Capacity for Gas Year Y+[2]<sup>4</sup> and required to pay relevant capacity charges i.e. a User needs to provide at least [1] Gas Year + 2 months notice to reduce its prevailing rights, except for where any additional amount has been requested and the User is still to pay all or part of its [4] year commitment on the full holding.</p> <p><i>Post Application Information Provision</i></p> <p>Not later than 24 hours after each User has been notified of their allocation, National Grid NTS will publish the following information by NTS Exit Point by Gas Year: -</p> <ul style="list-style-type: none"> <li>➤ Aggregate quantity of Prevailing NTS Exit (Flat) Capacity allocated</li> <li>➤ Aggregate quantity of reductions accepted and from when such reductions are applicable</li> <li>➤ Any remaining unsold baseline NTS Exit (Flat) Capacity</li> <li>➤ Number of Users applying for additional prevailing rights</li> </ul> <p><b><u>Constrained release (within investment lead-times)</u></b></p> <p>A User can obtain additional capacity over and above its “Prevailing NTS Exit (Flat) Capacity” for each Gas Year in the constrained period through the constrained release mechanisms. This will be comprised of both annual and daily “pay-as-bid” capacity auctions.</p> <p><i>Medium term - “annual pay-as-bid auction”:</i></p> <p>A User may apply for “Annual NTS Exit (Flat) Capacity” for Gas Year Y+1 to Gas Year Y+3 (inclusive) at any NTS Exit Point through the annual flat capacity auctions held in [August] in each Gas Year Y – see figure 3 (e.g. In [August] 2010, Users will be able to apply for “Annual NTS Exit (Flat) Capacity” for each of the Gas</p>
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<sup>4</sup> The Reduction Notice Period will be set out in the enduring IExCR Methodology Statement

	<p>Years 2010/11, 2011/12 to 2012/13.)</p> <p>The Annual NTS Exit (Flat) Capacity auctions will:</p> <ul style="list-style-type: none"> <li>➤ be held over 2 Business Days with at least 3 Business Days between each round of auction;</li> <li>➤ make available up to 50% of the “Available Annual NTS Exit (Flat) Capacity” in the first round and all remaining capacity being made available in the final round.</li> </ul> <p>Users will pay the bid price if their bid is allocated.</p> <p>National Grid NTS will allocate User bids in price order (highest price first) until either all bids are satisfied or the aggregate amount allocated equals the “Available Annual NTS Exit (Flat) Capacity”.</p> <p>The “Available Annual NTS Exit (Flat) Capacity” for each Gas Year will be:</p> <ul style="list-style-type: none"> <li>➤ Unsold NTS Exit (Flat) Capacity i.e. the difference between the baseline quantity for the NTS Exit Point and previously allocated capacity.</li> </ul> <p><i>Post Auction Information Provision</i> - Not later than 48 hours after the completion of the auction, each User will be informed of its allocations and National Grid NTS will publish the following information to the industry per NTS Exit Point per Year:</p> <ul style="list-style-type: none"> <li>➤ Weighted Average Price of all successful bids</li> <li>➤ Aggregate Volume Allocated</li> <li>➤ Any remaining unsold baseline NTS Exit (Flat) Capacity</li> <li>➤ Number of Users who submitted bids</li> <li>➤ Number of successful Users</li> <li>➤ The highest price accepted</li> <li>➤ The volume accepted associated to the highest price</li> <li>➤ The lowest price accepted</li> <li>➤ The volume accepted associated to the lowest price</li> </ul> <p>Information will be also be provided between auction rounds.</p> <p><i>Short term – “daily pay-as-bid auction”:</i></p> <p>A User is able to apply through a number of daily “pay-as bid” auctions held day ahead and on the day, for</p> <ul style="list-style-type: none"> <li>-Daily NTS (Flat) Exit capacity</li> <li>-Daily Interruptible NTS (Flat) Exit capacity</li> </ul> <p>The Daily Firm NTS Exit (Flat) Capacity auctions will:</p> <ul style="list-style-type: none"> <li>➤ be held at 15:00 ahead of the gas day</li> <li>➤ be held on the gas day as required and notified by National Grid NTS with at least 60 minutes notice</li> <li>➤ make available the “Available Daily Firm NTS Exit (Flat)</li> </ul>
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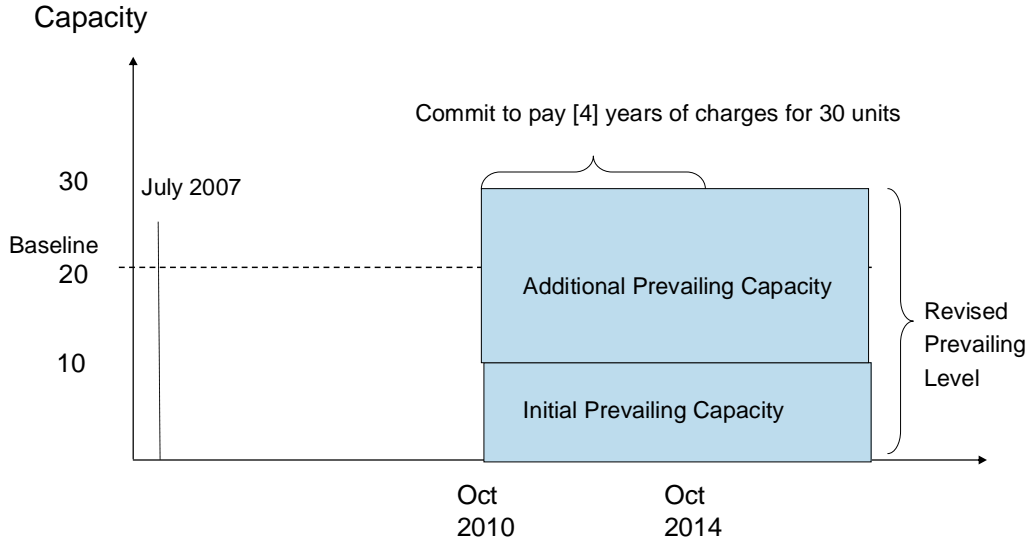
	<p>Capacity”.</p> <p>The Daily Interruptible NTS Exit (Flat) Capacity auctions will:</p> <ul style="list-style-type: none"> <li>➤ be held at 15:00 ahead of the gas day</li> <li>➤ make available the “Available Daily Interruptible NTS Exit (Flat) Capacity”.</li> </ul> <p>Users will pay the bid price if their bid is allocated.</p> <p>National Grid NTS will allocate User bids in price order (highest price first) until either all bids are satisfied or the aggregate amount allocated equals the “Available Daily Firm/Interruptible NTS Exit (Flat) Capacity”.</p> <p>The “Available Daily Firm NTS Exit (Flat) Capacity” for each Gas Day will be:</p> <ul style="list-style-type: none"> <li>➤ Unsold NTS Exit (Flat) Capacity i.e. the difference between the baseline quantity for the NTS Exit Point and previously allocated capacity; plus</li> <li>➤ non-obligated capacity (if any) to be sold at National Grid NTS discretion and in response to offered prices.</li> </ul> <p>The “Available Daily Interruptible NTS Exit (Flat) Capacity” made available ahead of each Gas Day will be:</p> <ul style="list-style-type: none"> <li>➤ the amount of Use-it-or-lose-it (UIOLI) capacity, determined as the aggregate NTS Exit (Flat) Capacity holding minus the average of the previous 30 day capacity utilisation at the NTS Exit Point; plus</li> <li>➤ non-obligated capacity (if any) to be sold at National Grid NTS discretion and in response to offered prices.</li> </ul> <p><i>Post Auction Information Provision</i> - Not later than [1] hour after each User has been notified of their allocation the National Grid NTS will publish the following information per NTS Exit Point per day:</p> <ul style="list-style-type: none"> <li>➤ Weighted Average Price of all successful bids</li> <li>➤ Aggregate Volume Allocated</li> <li>➤ Number of Users who submitted bids</li> <li>➤ Number of successful Users</li> <li>➤ The highest price accepted</li> <li>➤ The volume accepted associated to the highest price</li> <li>➤ The lowest price accepted</li> <li>➤ The volume accepted associated to the lowest price</li> </ul> <p>For the avoidance of doubt, any NTS Exit (Flat) capacity obtained through the constrained period will not become or added to a User’s “Prevailing NTS Exit (Flat) Capacity” rights.</p>
<b>Transfers/ Assignments</b>	<p><b>Transfers (trades)</b></p> <p>National Grid NTS will facilitate secondary transfers (trading) of</p>

	<p>capacity at an NTS Exit Point i.e. a User will be able to transfer (trade) any quantity of capacity at an NTS Exit Point to another User at the same NTS Exit Point, but the primary holder would still remain liable for paying the relevant capacity charges.</p> <p>Transfers may be not notified in respect of any day within a Gas Year later than 04:00 hours on the Day or first Day for which capacity is requested to be transferred</p> <p>Transfers may be rejected by National Grid NTS where the requested transfer amount exceeds the Transferor User's capacity holding.</p> <p>If a requested transfer has not been rejected within 60 minutes of the notification by the Transferor User and the Transferee User (whichever is later), the transfer will deemed to have been accepted by National Grid NTS.</p> <p><b>Assignment</b></p> <p>National Grid NTS will also facilitate primary transfer (assignment) of a User's total amount of capacity holding to another User at an NTS Exit Point i.e. a User will be able to assign its total amount of capacity holdings at an NTS Exit to another User at the same NTS Exit Point, subject to credit checks, including the liability to pay the relevant capacity charges.</p> <p>Assignments may not be notified later than 5 Business Days before the first day from which capacity is to be assigned (the "Assignment Day").</p> <p>Assignments will be rejected by National Grid NTS where the Assignee User does not have the required credit worthiness.</p> <p>If a requested assignment has not been rejected within [4] Business Days of the notification by the Assignor User and the Assignee User (whichever is later), the assignment will deemed to have been accepted by National Grid NTS.</p>
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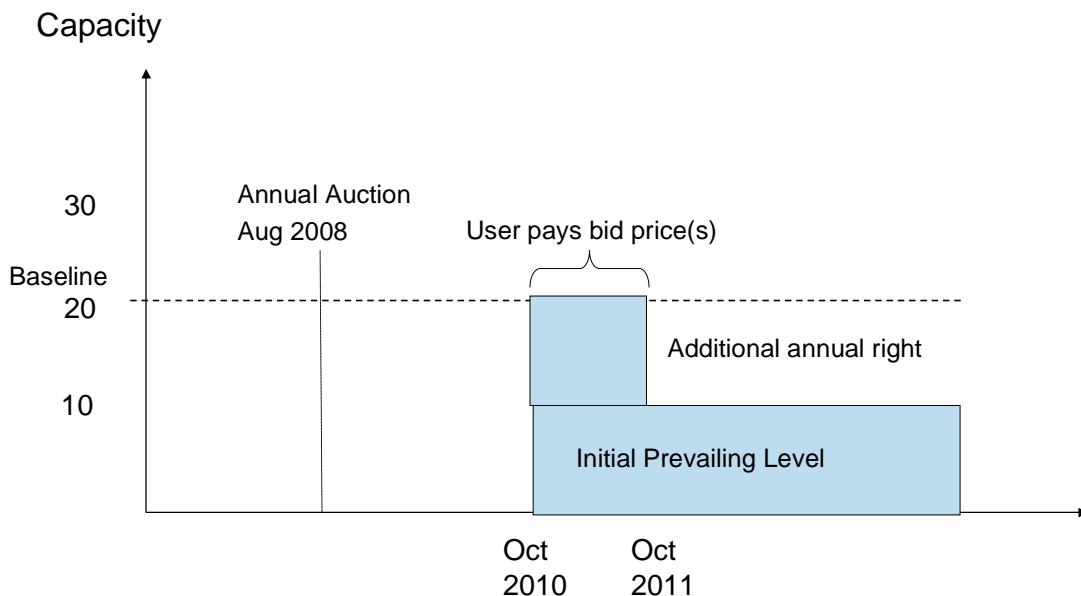
**Figure 2. Unconstrained capacity registration mechanism: Flat Capacity**

In this example, a User has a “initial prevailing level” of 10 units and requests at the [July] Application Window to increase its prevailing level by 20 units from Y+4. The User is committed to book 30 units of capacity for years Y+4 to Y+[7] and pay the prevailing capacity charge. The User’s “prevailing level” is increased to 30 units from Y+[4] onwards. National Grid NTS may seek to invest to deliver the additional 10 units of capacity beyond the baseline level.



**Figure 3. Constrained capacity registration mechanism: Flat Capacity**

In this example, a User has a “initial prevailing level” of 10 units and does not request additional prevailing rights at the [July] Application Window. Instead, the User applies through the pay-as-bid auction in [August] 2008 for the remaining baseline quantity for year Y+3.



### NTS Exit (Flexibility) Capacity

<b>Participants</b>	UNC Users
<b>Registration</b>	<p><b><u>Investment release</u></b></p> <p>Due to the anticipated cost of providing incremental NTS Exit (Flexibility) Capacity by investment in the transmission system, it is anticipated that such investment would not be efficient and economic. Should users require more NTS Exit (Flexibility) Capacity than is available then such exceptional incremental release over the next price control would require discussion with Ofgem and potentially a determination to address whether such investment might be considered economic and efficient.</p> <p><b><u>Long / Medium term release</u></b> <i>“annual pay-as-bid auction”</i>:</p> <p>A User may apply for “Annual NTS Exit (Flexibility) Capacity” for Gas Year Y+1 to Gas Year Y+5 (inclusive) at any NTS Exit Zone through the annual Flexibility capacity auctions held in [July] in each Gas Year Y (e.g. In [July] 2010, Users will be able to apply for “Annual NTS Exit (Flexibility) Capacity” for each of the Gas Years 2010/11 to 2014/15.)</p> <p>The Annual NTS Exit (Flexibility) Capacity auctions will be:</p> <ul style="list-style-type: none"> <li>➤ held over 2 Business Days with at least 3 Business Days between each round of auction;</li> <li>➤ make available up to 50% of the “Maximum Available Annual NTS Exit (Flexibility) Capacity” in the first round and all remaining capacity being made available in the final round.</li> </ul> <p>Users will pay the bid price if their bid is allocated.</p> <p>National Grid NTS will allocate User bids in price order (highest price first) until either all bids are satisfied or the aggregate amount allocated equals the “Maximum Available Annual NTS Exit (Flexibility) Capacity”.</p> <p>The “Maximum Available Annual NTS Exit (Flexibility) Capacity” for each Gas Year will be:</p> <ul style="list-style-type: none"> <li>➤ for all NTS Exit Areas, the difference between the national maximum for that Year and the total amount previously sold</li> <li>➤ for each NTS Exit Area, the difference between the area maximum for that Year and the amount previously sold in that area</li> <li>➤ for each NTS Exit Zone, the difference between the zonal maximum for that Year and the amount previously sold in that zone.</li> </ul>

	<p>The national, area and local maxima as set out in Appendix 2.</p> <p><i>Information provision</i> - Not later than 08.00 on the Business Day following each auction round and not later than 24 hours after each User is notified of their allocation following completion of the auction, National Grid NTS will notify Users of the following information by NTS Exit Zone and Gas Year:</p> <ul style="list-style-type: none"> <li>➤ Aggregate Demand</li> <li>➤ Weighted Average Price of all successful bids</li> <li>➤ Aggregate Volume Allocated</li> <li>➤ Highest Price Bid Allocated</li> <li>➤ Volume Allocated at highest price</li> <li>➤ Lowest Price Bid Allocated</li> <li>➤ Volume Allocated at lowest price</li> <li>➤ Number of Users who placed bids</li> <li>➤ Number of successful Users</li> <li>➤ Maximum Available NTS Exit (Flexibility) Capacity for future auctions.</li> </ul> <p><b><u>Short term release</u></b></p> <p>Users may apply for Daily NTS Exit (Flexibility) Capacity in any NTS Exit Zone through submission of an (Individual) Offtake Profile Notice (OPN) or, in the event that there is greater demand for Daily NTS Exit (Flexibility) Capacity than National Grid NTS considers can be safely accommodated by the system, a “pay-as-bid” capacity auction.</p> <p><i>OPN Capacity Application Process</i></p> <p>The Users at an NTS Exit Point shall ensure that an OPN is provided to National Grid NTS by 17:00<sup>5</sup> ahead of the gas day for the NTS Exit Point.</p> <p>The OPN will set out the intended aggregate rate of offtake for the NTS Exit Point.</p> <p>For NTS Exit Points where there is more than one Registered User:</p> <ul style="list-style-type: none"> <li>➤ an Individual Offtake Profile Notice (IOPN) must be provided with the OPN for each Registered User such that the sum of the rate of offtakes in each IOPN equals the aggregate rates set out in the OPN; or</li> <li>➤ a standing instruction must be notified in advance to National Grid NTS by all Registered Users of the attribution of the OPN to each Registered User. This will</li> </ul>
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<sup>5</sup> Note that this timescale is currently the subject of UNC Modification Proposal 0100.

	<p>be used by National Grid NTS to determine the IOPN for each User,</p> <p>otherwise the OPN will be prorated between each Registered User based on number of Registered Users.</p> <p>National Grid NTS will determine from the OPN/IOPN, each User's Notified User Daily Flexibility Utilisation (NUDFU) for the NTS Exit Point as follows:</p> $\text{NUDFU} = \text{UDQO}_{2200} - \text{AUDQO}_{2200}$ <p>where:</p> <p><math>\text{UDQO}_{2200}</math> is the quantity of gas offtaken notified to be offtaken by the User between 06:00 hours and 22:00 hours on the Day at the NTS Exit Point;</p> <p><math>\text{AUDQO}_{2200}</math> is the average notified quantity of gas deemed to be offtaken by the User at the NTS Exit Point at an even rate between 06:00 hours and 22:00 hours on the relevant Day i.e. <math>\text{DQ} * (16 / 24)</math>, where DQ is the notified quantity of gas to be offtaken by the User on the gas day for the NTS Exit Point.</p> <p>A User's Notified User Daily Flexibility Utilisation for each NTS Exit Zone (<math>\text{NUDFU}_z</math>) will then be determined by summing the User's Notified User Daily Flexibility Utilisation for each NTS Exit Point (NUDFU) for all NTS Exit Points within an NTS Exit Zone.</p> <p>In the event that a User's Notified User Daily Flexibility Utilisation for an NTS Exit Zone (<math>\text{ANUDFU}_z</math>) is:</p> <ul style="list-style-type: none"> <li>➤ "CASE A" - greater than its NTS Exit (Flexibility) Capacity holding for the zone and National Grid NTS can accommodate notified flex capacity utilisations for all Users in the NTS Exit Zone, then the relevant User's NTS Exit (Flexibility) Capacity holding will be set equal to its Notified User Daily Flexibility Utilisation for the NTS Exit Zone (<math>\text{NUDFU}_z</math>) i.e. the user's NTS Exit (Flexibility) Capacity holding will be increased</li> <li>➤ "CASE B" - greater than its NTS Exit (Flexibility) Capacity holding for the zone and National Grid NTS cannot accommodate (at its discretion<sup>6</sup>) notified flex capacity utilisations for all Users in the NTS Exit Zone, then National Grid NTS will reject the User's OPN/IOPN within</li> </ul>
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<sup>6</sup> In the event that there is unsold baseline NTS Exit (Flexibility) Capacity, then National Grid NTS must release such levels of capacity, otherwise any additional amounts will be at National Grid NTS discretion.

	<p>[30] minutes.</p> <ul style="list-style-type: none"> <li>➤ “CASE C” - less than the NTS Exit (Flexibility) Capacity holding for the zone, the OPN/IOPN will not be rejected.</li> </ul> <p>Where a User’s OPN/IOPN has been rejected under CASE B above and National Grid NTS considers that the NTS Exit Zone is able to accommodate additional flexibility utilisation than has been booked, Users will be able to resubmit its OPN/IOPN within [30] minutes. National Grid NTS will follow the above process again and in the event that</p> <ul style="list-style-type: none"> <li>➤ only one User’s OPN/IOPN is rejected under CASE B, then the above is repeated;</li> <li>➤ more than one User’s OPN/IOPN is rejected under CASE B, then National Grid NTS will inform Users that the NTS Exit Zone for the gas day is a “flexibility constraint day” i.e. there are competing users for “spare” flexibility in a zone, and daily “pay-as-bid” auctions will be held (as described below).</li> </ul> <p>The above steps are repeated in the event that a revised OPN/IOPN is submitted after acceptance of the first OPN/IOPN by National Grid NTS.</p> <p><i>Daily NTS Exit (Flexibility) Capacity auctions (where required)</i></p> <p>Where an NTS Exit Zone has been declared a “flexibility constraint day”, National Grid NTS will notify Users of relevant details for the Daily NTS Exit (Flat) Capacity auction by issuing a daily invitation specifying:</p> <ul style="list-style-type: none"> <li>➤ the time(s) at which the auction(s) will be held (no earlier than [30] minutes after notification)</li> <li>➤ the NTS Exit Zone(s)</li> <li>➤ reserve price for each NTS Exit Zone (in accordance with the Statement of Gas Transmission Transportation Charges)</li> <li>➤ Updated Maximum Available Annual NTS Exit (Flexibility) Capacity for the NTS Exit Zone.</li> </ul> <p><i>Post Auction Information Provision</i> - Not later than [1] hour after each User has been notified of their allocation, National Grid NTS will publish the following information per NTS Exit Zone per day:</p> <ul style="list-style-type: none"> <li>➤ Weighted Average Price of all successful bids</li> <li>➤ Aggregate Volume Allocated</li> <li>➤ Number of Users who submitted bids</li> <li>➤ Number of successful Users</li> </ul>
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	<ul style="list-style-type: none"> <li>➤ The highest price accepted</li> <li>➤ The volume accepted associated to the highest price</li> <li>➤ The lowest price accepted</li> <li>➤ The volume accepted associated to the lowest price</li> </ul>
<b>Trading/ transfers</b>	<p><b>Transfers (trades)</b></p> <p>National Grid NTS will facilitate secondary transfers (trading) of NTS Exit (Flexibility) capacity at and between NTS Exit Zones subject to area and local maxima i.e. a User will be able to transfer (trade) any quantity of capacity at an NTS Exit Zone:</p> <ul style="list-style-type: none"> <li>➤ to another User at the same NTS Exit Zone,</li> <li>➤ to itself or another User at a different NTS Exit Zone;</li> </ul> <p>but the primary holder would still remain liable for paying the relevant capacity charges.</p> <p>Transfers may be not notified in respect of any day within a Gas Year for transfers within an NTS Exit Zone:</p> <ul style="list-style-type: none"> <li>➤ later than 04:00 hours on the Day or first Day for which capacity is requested to be transferred within NTS Exit Zones</li> </ul> <p>Transfers may be not notified in respect of any day within a Gas Year for transfers between NTS Exit Zones:</p> <ul style="list-style-type: none"> <li>➤ until after the completion of the last annual NTS Exit (Flexibility) Capacity auction for the Gas Year</li> <li>➤ later than 12:00 hours ahead of the Day or first Day for which capacity is requested to be transferred between NTS Exit Zones.</li> <li>➤ during a capacity allocation period</li> <li>➤ if National Grid NTS has provided notification that it is considering undertaking a capacity constraint management action at the NTS Exit Zone.</li> </ul> <p>Transfers will be rejected in respect of any day within a Gas Year:</p> <ul style="list-style-type: none"> <li>➤ if a transfer between NTS Exit Zones would result in a breach of the limits for the NTS Exit Zone and/or NTS Exit Area to which the capacity would be transferred;</li> <li>➤ for any 2 transfers that are received at exactly the same time and the combined effect would cause either the NTS Exit Zone or Area Maxima to which the capacity would be transferred to be exceeded.</li> </ul> <p>Transfers may be rejected by National Grid NTS where the requested transfer amount exceeds the Transferor User's capacity holding.</p> <p>If a requested transfer has not been rejected within 60 minutes of the notification by the Transferor User and the Transferee User (whichever is later), the transfer will deemed</p>

	<p>to have been accepted by National Grid NTS.</p> <p><b>Assignment</b></p> <p>National Grid NTS will also facilitate primary transfer (assignment) of a User's total amount of capacity holding to another User at an NTS Exit Zone i.e. a User will be able to assign its total amount of capacity holdings at an NTS Exit to another User at the same NTS Exit Zone, subject to credit checks, including the liability to pay the relevant capacity charges.</p> <p>Assignments may not be notified later than 5 Business Days before the first day from which capacity is to be assigned (the "Assignment Day").</p> <p>Assignments will be rejected by National Grid NTS where the Assignee User does not have the required credit worthiness.</p> <p>If a requested assignment has not been rejected within [4] Business Days of the notification by the Assignor User and the Assignee User (whichever is later), the assignment will deemed to have been accepted by National Grid NTS.</p>
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### Advanced Reservation of Capacity Agreements (ARCA)

<b>Participants:</b>	Non-UNC parties
<b>Reservation</b>	<p>A non-UNC party will able to "reserve" Prevailing NTS Exit (Flat) Capacity" from Gas Year Y+4 by the Annual Application Window in [July] in Gas Year Y.</p> <p>National Grid NTS will enter into a "reservation agreement" with the party with following obligations:</p> <ul style="list-style-type: none"> <li>➤ party commits to pay the NTS Exit (Flat) Capacity charges for each of the [4] years of reserved capacity associated with the proportion of capacity which is not be booked by its nominated User(s)</li> <li>➤ National Grid NTS allows the party's nominated User(s) to hold any proportion of the party's reserved Prevailing NTS Exit (Flat) Capacity as if the User had applied itself through the relevant UNC processes at the Annual Application Window in Gas Year Y.</li> </ul>

## LIABILITY ARRANGEMENTS AND USER OBLIGATIONS

8. The following table sets out the arrangements in respect of determination of liability amounts to be payable by National Grid NTS in certain events and User's obligations in respect of within day flow rates.

	Arrangements
<b>Non-availability of capacity</b>	<p><b>Late delivery of capacity</b> (i.e. capacity can only be made available by investment)</p> <p>In the event that a User has nominated to flow against all or any part of its holdings, and is not able to do so as National Grid NTS is unable to provide any part of the required capacity due to late delivery of any required investments, arrangements will be developed for any resulting compensation payments as part of the Transmission Price Control Review.</p> <p><b>Under operational circumstances</b> (i.e. after capacity has been made available)</p> <p>In the event that a User has nominated to flow against all or any part of its holdings, and is not able to do so as National Grid NTS is unable to provide the required capacity, despite seeking to utilise any system management tools, the User may claim financial compensation. The amount of compensation paid will be based on the same principles as currently under UNC TPD Section J in respect of NTS Exit Points</p> <p>National Grid NTS will not be obliged to make gas available for offtake at an NTS Exit Point by a User:</p> <ul style="list-style-type: none"> <li>➤ on any Day, in a quantity which exceeds the User's NTS Exit (Flat) Capacity;</li> <li>➤ at any time, at a rate which exceeds the Maximum Permitted Rate (as defined below);</li> <li>➤ on any Day that is a Planned Maintenance day within the permitted number of days as set out in the relevant connection agreement for direct connects or the OAD for NTS/LDZ offtakes.</li> </ul> <p>National Grid NTS will not be obliged to make gas available for offtake at an NTS Exit Zone by a User:</p> <ul style="list-style-type: none"> <li>➤ in the period between 06:00 hours and 22:00 hours on any Day, in a quantity exceeding:</li> </ul> <p style="text-align: center;"><math>NEFC + (16 / 24) * Q_D</math>, where</p> <p>NEFC is the Users NTS Exit (Flexibility) Capacity holding  <math>Q_D</math> is the daily quantity of gas offtaken by the User</p>
<b>Assured</b>	Assured Offtake Pressures will be set for each NTS/LDZ



<b>Offtake Pressures</b>	<p>offtake by rolling over the pressure commitments that will be granted to DNOs by Sept 06 for Gas Year 2009/10 in response to their recent applications. Both the DNO and National Grid NTS will then have the ability to request a permanent or finite (day or number of days) increase or decrease to the rolled over Assured Offtake Pressures. Either transporter must accept such requests unless it will prejudice the safe and efficient operation of its network, with an overriding obligation to co-operate in the establishment of operating pressures to “optimise the safe and efficient operation of the NTS and LDZ”.</p>
<b>Non-compliant gas</b>	<p>In the event that National Grid NTS makes available non-compliant gas, the amount of compensation paid by National Grid NTS to the relevant Users will continue as specified under UNC TPD Section J.</p>
<b>User offtake obligations</b>	<p>A User will not be entitled to offtake gas from an NTS Exit Point at a rate that exceeds the Maximum Permitted Rate calculated as:</p> $(C_{\text{FLAT}} / 24) + (C_{\text{FLEX}} / 4)$ <p>where:</p> <p><math>C_{\text{FLAT}}</math> is the User's NTS Exit (Flat) Capacity at the NTS Exit Point;</p> <p><math>C_{\text{FLEX}}</math> is the User's NTS Exit (Flexibility) Capacity for the zone</p> <p>Where National Grid NTS believes that gas is being or will be offtaken at an NTS Exit Point at a rate which exceeds the Maximum Permitted Rate and the security of the NTS may be prejudiced, National Grid NTS may take any reasonable steps to secure the required reduction in the rate of offtake or the discontinuance of the offtake of gas at the NTS Exit Point.</p>
<b>OPNs</b>	<p>The aggregate rate of gas offtake at an NTS Exit Point must be within a tolerance (as specified in the OAD for NTS/LDZ offtakes and relevant connection agreement for Direct Connects) of the notified flow rate in accepted OPN.</p> <p>A User may revise accepted OPNs in accordance with the relevant Notice Periods and Ramp Rates that are currently in place.</p>

## CHARGING

9. Both Shippers and DNO Users will incur the same type of charges as summarised below:

Type	Methodology
<p><b>Flat Overrun charges</b></p>	<p>Charges shall apply where there is an aggregate flat overrun quantity, determined by the extent that the aggregate end of day measured flow exceeds the aggregate end of day capacity holdings at the NTS Exit Point. Each User's overrun is then determined by prorating the aggregate quantity based on each User's individual overrun quantity determined on same basis.</p> <p>A User's NTS Exit (Flat) Capacity overrun charge will be determined as the User's NTS Exit (Flat) Capacity Overrun amount multiplied by the highest of:</p> <ul style="list-style-type: none"> <li>➤ 8 times the highest price paid by Users at the relevant NTS Exit Point to National Grid NTS for any class of firm NTS Exit (Flat) Capacity for that day</li> <li>➤ 8 times the highest reserve price at the relevant NTS Exit Point for any capacity auctions (NB. This is to cover scenario where no capacity is booked at an NTS Exit Point, but Users still utilise Flat capacity)</li> <li>➤ 1.1 times the highest price paid by National Grid for NTS Exit (Flat) Capacity for any NTS Exit Point for that day for capacity buy back through any constraint management action.</li> </ul>
<p><b>Flex Overrun charges</b></p>	<p>Charges shall apply where there is an aggregate flex overrun quantity, determined by the extent that the aggregate flow over period 06:00 to 22:00 (including a tolerance of [1.5%] for measurement inaccuracies) exceeds the aggregate end of day flexibility capacity holdings at the NTS Exit Zone. Each User's overrun is then determined by prorating the aggregate quantity based on each User's individual overrun quantity determined on the same basis.</p> <p>A User's NTS Exit (Flexibility) Capacity overrun charge will be determined as the User's NTS Exit (Flexibility) Capacity Overrun amount multiplied by the highest of:</p> <ul style="list-style-type: none"> <li>➤ 8 times the highest price paid by Users at the relevant NTS Exit Zone to National Grid NTS for any class of firm NTS Exit (Flexibility) Capacity for that day</li> <li>➤ 8 times the highest reserve price at the relevant NTS Exit Zone for any capacity auctions (NB. This is to cover scenario where no capacity is booked at an NTS Exit Zone, but Users still utilise system Flexibility)</li> </ul>

	<ul style="list-style-type: none"> <li>➤ 1.1 times the highest price paid by National Grid for NTS Exit (Flexibility) Capacity for any NTS Exit Zone for that day for capacity buy back through any constraint management action.</li> </ul>
<b>NTS Exit (Flat) Capacity Charge</b>	<p>The NTS Exit (Flat) Capacity Charge payable by a User in respect of each Day will be determined for each NTS Exit Point as the amount of the NTS Exit (Flat) Capacity of the relevant class multiplied by the Applicable Daily Rate determined as:</p> <ul style="list-style-type: none"> <li>➤ in respect of Prevailing NTS Exit (Flat) Capacity obtained through initialisation of the regime and/or the long term flat application process, the Prevailing NTS Exit (Flat) Capacity charge for that Gas Year as stated in the "Statement of Transmission Transportation Charges" for that Day;</li> <li>➤ in respect of Annual NTS Exit (Flat) Capacity, Daily NTS Exit (Flat) Capacity and Daily Interruptible NTS Exit (Flat) Capacity obtained through the auctions, the bid price submitted by the User and allocated for the relevant period.</li> </ul> <p>Bid prices submitted in the annual and daily NTS Exit (Flat) Capacity auctions must be at or above the relevant reserve price set for that auction:</p> <ul style="list-style-type: none"> <li>➤ Annual auctions undertaken in [August] in Gas Year Y – the reserve price for each NTS Exit Point will be set as follows: <ul style="list-style-type: none"> <li>• For Gas Year Y+1, at the Prevailing NTS Exit (Flat) Capacity charge published for Gas Year Y+1;</li> <li>• For Gas Year Y+2, at the forecast Prevailing NTS Exit (Flat) Capacity charges published for Gas Year Y+2;</li> <li>• For Gas Year Y+3, at the forecast Prevailing NTS Exit (Flat) Capacity charges published for Gas Year Y+3.</li> </ul> </li> <li>➤ Daily auctions of firm capacity – the reserve price will be set at the Prevailing NTS Exit (Flat) Capacity charge in use at the time of commencement of the relevant auction.</li> <li>➤ Daily auctions of interruptible capacity – the reserve price will be set at 0.0001 p/kWh.</li> </ul>
<b>NTS Exit (Flexibility) Capacity Charges</b>	<p>The NTS Exit (Flex) Capacity Charge payable by a User in respect of each Day will be determined for each NTS Exit Zone as the amount of the NTS Exit (Flex) Capacity of the relevant class multiplied by the Applicable Daily Rate determined as:</p> <ul style="list-style-type: none"> <li>➤ in respect of Annual NTS Exit (Flexibility) Capacity</li> </ul>

	<p>obtained through the annual auctions, the bid price submitted by the User and allocated for the relevant Gas Year</p> <ul style="list-style-type: none"> <li>➤ in respect of Daily NTS Exit (Flexibility) Capacity obtained through the OPN Application Process, the reserve price for the daily flex auctions</li> <li>➤ in respect of Daily NTS Exit (Flexibility) Capacity obtained through the day ahead or on the day auctions, where required, the bid price submitted by the User and allocated for the relevant Day.</li> </ul> <p>Bid prices submitted in the NTS Exit (Flexibility) Capacity auctions must be at or above the relevant reserve price set for that auction:</p> <ul style="list-style-type: none"> <li>➤ Annual and Daily auctions – the reserve price will be set at 0.0001 p/kWh.</li> </ul>
<b>NTS Exit Capacity Neutrality charge</b>	<p>Revenues (On-the-day sales of capacity, Interruptible NTS Exit (Flat) Capacity, Non-Obligated NTS Exit Capacity and Overrun Charges) and costs (system management costs) from the exit capacity regime will be credited or charged to all participants based on their proportion of the aggregate NTS Exit (Flat) Capacity holdings. [This will be undertaken on an NTS Exit Area basis i.e. there will be 4 exit neutrality pots.]</p>
<b>NTS SO Flat Commodity Charge</b>	<p>A User will pay an NTS Exit Flat Commodity Charge in respect of its end of day gas offtaken determined for each NTS Exit Point as:</p> <ul style="list-style-type: none"> <li>➤ in the case of an NTS/LDZ Offtake, a DNO will pay an amount equal to the daily gas offtaken at each of its offtakes multiplied by the Applicable Commodity Rate; and</li> <li>➤ in the case of an NTS Supply Point or an NTS Connected System Exit Point, the relevant shipper(s) will pay an amount equal to its daily gas offtaken multiplied at each NTS Exit Point by the Applicable Commodity Rate.</li> </ul> <p>The Applicable Commodity Rates will be set based on the current methodology for determination of the SO Commodity Rate, but the amount of recoverable relevant SO Costs will be set at [95%], with the remaining amount recovered through the NTS SO Flex Commodity Charge.</p> <p>The current UNC provisions in respect of the NTS Optional Commodity Rate will continue to apply.</p>
<b>NTS SO Flex Commodity</b>	<p>A User will pay an NTS Exit Commodity Charge in respect of the amount of flexibility it has utilised for a Gas Day determined for each NTS Exit Zone as :</p>

<b>Charge</b>	<ul style="list-style-type: none"> <li>➤ in the case of an NTS/LDZ Offtake, a DNO will pay an amount equal to its flexibility utilisation for the NTS Exit Zone multiplied by the Applicable Commodity Rate; and</li> <li>➤ in the case of an NTS Supply Point or an NTS Connected System Exit Point, the relevant shipper(s) will pay an amount equal to its flexibility utilisation for the NTS Exit Zone multiplied by the Applicable Commodity Rate.</li> </ul> <p>The Applicable Commodity Rates will be set based on the current methodology for determination of the SO Commodity Rate, but the amount of recoverable relevant SO Costs will be set at [5%].</p>
<b>NTS TO Commodity Charge</b>	Users may incur an NTS TO Exit Commodity Charge to adjust for any under or over-recovery of TO Allowed Revenue from NTS Exit (Flat and Flex) Capacity revenues.
<b>Credit Rules</b>	<p>The current credit rules will be extended to accommodate NTS Exit (Flat) and (Flexibility) Capacity. The rules require all Users to have an appropriate level of credit.</p> <p>Where a Users indebtedness exceeds 70% of its credit limit National Grid NTS will notify the User of such a breach and if, following this notice, the User's indebtedness exceeds 85% of its credit limit National Grid NTS will reject the User applications for NTS Exit (Flat and Flexibility) Capacity and/or Entry Capacity.</p> <p>National Grid NTS's credit checks will take into account any payments that are due from the User [in the next 12 months] i.e. any entry capacity or exit capacity charges due by the User in this period.</p>

## OVERRUN USER

10. A single User (the "Overrun User") may be appointed to be responsible for all overrun charges at an NTS Exit Point (and not for any other purpose e.g. making gas flow nominations). Only one Overrun User per NTS Exit Point will be permitted at any one time.
11. For a User to become, or to terminate being, the Overrun User at an NTS Exit Point, they must apply to National Grid NTS providing:
  - a. their identity;
  - b. the NTS Exit Point;
  - c. the date from which they wish to become, or no longer wish to be, the Overrun User;
  - d. the formal consent of all Users that are registered to flow gas at the NTS Exit Point for the User to become the Overrun User from the proposed date.

12. National Grid NTS will respond to applications to become an Overrun User or to terminate being an Overrun User within [5] days confirming whether the application is valid (i.e. contains all required information as set out above) and hence is accepted.
13. A list of Overrun Users that are in place for any NTS Exit Point will be maintained and published by National Grid NTS.

### BI-DIRECTIONAL SITES

14. For bi-directional NTS Exit Points, e.g. Storage Sites and Bacton Interconnector, the NTS Exit (Flexibility) Capacity Product overrun assessment will be based on the flows at the Physical Meter applicable at that NTS Exit Point. These values will then form part of the Zonal Flexibility Overrun assessment and the derivation of a User's NTS Exit (Flexibility) Overrun. In order to determine whether the bi-directional site is classed as an NTS Exit Point for that day, there are a number of scenarios that need to be considered as detailed in table below:

Net Entry to NTS from 06:00 to 22:00	Net Entry to NTS by end of day	Treatment
Y	Y	Entry Point i.e. no NTS Exit (Flexibility) Capacity deemed to have been used
Y	N	Entry Point i.e. no NTS Exit (Flexibility) Capacity deemed to have been used
N	Y	Exit Point with net exit flow at 22.00 equal the amount of NTS Exit (Flexibility) Capacity product used -1/24 <sup>th</sup> flow rate will be deemed to be zero
N	N	Exit Point with net exit flow at 22.00 equal the amount of NTS Exit (Flexibility) Capacity product used -1/24 <sup>th</sup> flow rate will be based on the end of day physical measurement /24.

### INTERCONNECTORS

15. The present capacity certification process will be discontinued.

### SYSTEM MANAGEMENT

16. System management tools may include:

**NTS Exit (Flat) Capacity**

Type	Comment
<b>Scale back of interruptible flat holdings</b>	This will be at zero cost (at National Grid NTS discretion).
<b>“Flow swapping” agreements</b>	This may replace the current arrangements whereby flow can be swapped between NTS/LDZ offtakes while maintaining the aggregate end of day flow into an LDZ.
<b>Options and forward contracts</b>	Buy back of NTS Exit (Flat) Capacity via bi-lateral contracts between National Grid NTS and Users.
<b>Daily buy back auctions</b>	Buy back of NTS Exit (Flat) Capacity via daily auctions ahead of and on the gas day undertaken as required by National Grid NTS.

**NTS Exit (Flexibility) Capacity**

Type	Comment
<b>“Flow swapping” agreements</b>	This may replace and extend the current arrangements whereby flow can be swapped between NTS/LDZ offtakes while maintaining the aggregate end of day flow into an LDZ to enable temporal flow switching.
<b>Options and forward contracts</b>	Buy back of NTS Exit (Flexibility) Capacity via bi-lateral contracts between National Grid NTS and Users.
<b>Daily buy back auctions</b>	Buy back of NTS Exit (Flexibility) Capacity via daily auctions held ahead of the gas day undertaken as required by National Grid NTS
<b>Within day flow management tools</b>	<p>To manage within day constraints, National Grid NTS may initiate a Flow Rate Reduction period by notifying Users of:</p> <ul style="list-style-type: none"> <li>➤ The NTS Exit Point(s)/Zones(s) where a flow rate reduction is required.</li> <li>➤ The required quantity</li> <li>➤ The time by which the reduction is required.</li> <li>➤ The time at which the offer assessment shall be carried out</li> </ul> <p>Users will then be able to submit Offers detailing :</p> <ul style="list-style-type: none"> <li>➤ NTS Exit Point / Zone</li> <li>➤ The Offer quantity and price</li> <li>➤ The period of which the reduction would be effective, [identifying the hourly flows]</li> </ul>

	National Grid NTS will accept offers in ascending price order until all offers accepted or desired flow rate reduction achieved.
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## Appendix 1: NTS EXIT ZONES

The list in Table 1 details which NTS Exit Zones the existing NTS Exit Points plus new Distribution Network Offtakes have been attributed to for Gas Year 2010.

Count	NTS Exit Point	NTS Exit Zone
1	AberdeenOT	0
2	BalgrayOT	0
3	BPGrngemouthPS	0
4	CarestonOT	0
5	DrumOT	0
6	GlenmavisLNG	0
7	GlenmavisOT	0
8	GowkhalPS	0
9	KinknockieOT	0
10	PeterheadPS	0
11	PitcairnOT	0
12	StFergusOT	0
13	ArmadaleOT	1
14	BroxburnOT	1
15	ColdstreamOT	1
16	HumbletonOT	1
17	HumeOT	1
18	KeldOT	1
19	LangholmOT	1
20	LockerbieOT	1
21	MelkinthorpeOT	1
22	MoffatInt	1
23	NetherHwclghOT	1
24	SaltwickHOT	1
25	SaltwickOT	1

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26	SoutraOT	1
27	TowLawOT	1
28	WetheralOT	1
29	AucklandOT	2
30	CorbridgeOT	2
31	GuyzanceOT	2
32	AsselbyOT	3
33	BaldersbyOT	3
34	BASFInd	3
35	BeltoftStor	3
36	BOCTeesInd	3
37	BPSaltendHPInd	3
38	BurleyBankOT	3
39	CowpenBewleyOT	3
40	EltonOT	3
41	EnronPS	3
42	GansteadOT	3
43	GooleGlassInd	3
44	HornseaStor	3
45	ICIBillinghmInd	3
46	LtBurdonOT	3
47	PannaIOT	3
48	PaulIOT	3
49	PhillipsTeesPS	3
50	PickeringOT	3
51	RawcliffeOT	3
52	RoughStor	3
53	SaltendPS	3
54	ThrintoftOT	3

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55	TowtonOT	3
56	AMPaperInd	4
57	BlackburnMInd	4
58	BlackrodOT	4
59	BrdgewaterPInd	4
60	BurtonPointPS	4
61	DeesidePS	4
62	HaysChemInd	4
63	HolmesChapelOT	4
64	ICIRuncornInd	4
65	LuptonOT	4
66	MickleTrafdOT	4
67	PartingtonLNG	4
68	PartingtonOT	4
69	RocksavagePS	4
70	RoosecotePS	4
71	SamlesburyOT	4
72	SellafieldPS	4
73	ShellStarInd	4
74	ShottonPaprlnd	4
75	WarburtonOT	4
76	WestonPointOT	4
77	WinningtonPS	4
78	BlabyOT	5
79	CaldecottOT	5
80	CorbyPS	5
81	MktHarboroughOT	5
82	PeterborEyeOT	5
83	PeterboroPS	5

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84	SilkWilloughOT	5
85	TurLangtonOT	5
86	EveshamOT	6
87	LeamingtonOT	6
88	LowerQuintonOT	6
89	RugbyOT	6
90	StratfrdAvonOT	6
91	AylesbeareOT	7
92	BraishfieldAOT	7
93	BraishfieldBOT	7
94	DidcotPS	7
95	IlchesterOT	7
96	Ipsden1OT	7
97	KennOT	7
98	MappowderOT	7
99	GtWilbrahamOT	8
100	PetersGrnNTOT	8
101	PetersGrnSMOT	8
102	RoudhamHeathOT	8
103	RoystonOT	8
104	WhitwellOT	8
105	BarkingPS	9
106	CorytonPS	9
107	DamheadCreekPS	9
108	FarninghamOT	9
109	GtYarmouthPS	9
110	HorndonOT	9
111	LuxboroughLnOT	9
112	MedwayPS	9

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113	ShorneOT	9
114	TatsfieldOT	9
115	YelvertonOT	9
116	EppingGreenPS	10
117	LtBarfordPS	10
118	MatchngGreenOT	10
119	RyeHousePS	10
120	BlyboroughOT	11
121	BriggPS	11
122	CottamPS	11
123	ImminghamInd	11
124	KeadbyBPS	11
125	KeadbyPS	11
126	Stallingbor1PS	11
127	Stallingbor2PS	11
128	ThorntonCurtOT	11
129	ThorntonCurtPS	11
130	WalesbyOT	11
131	AlrewasEMOT	12
132	AlrewasWMOT	12
133	AspleyOT	12
134	AudleyNWOT	12
135	AudleyWMOT	12
136	AustreyOT	12
137	DrointonOT	12
138	EcclestonOT	12
139	HoleHousFmStor	12
140	Maelor	12
141	MalpasOT	12

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142	MilwichOT	12
143	ShustokeOT	12
144	BactonInt	13
145	BactonOT	13
146	BrisleyOT	13
147	KingsLynnPS	13
148	WestWinchOT	13
149	AvonmouthLNG	14
150	BaglanBayPS	14
151	CirencesterOT	14
152	DowlaisOT	14
153	DyffrynClydOT	14
154	DynevorArmsLNG	14
155	EastonGreyOT	14
156	FiddingtonOT	14
157	GilwernOT	14
158	ICISvrnsidelnd	14
159	LittletnDrewOT	14
160	PucklechurchOT	14
161	RossSWOT	14
162	RossWMOT	14
163	SeabankBPS	14
164	SeabankOT	14
165	SeabankPS	14
166	GosbertonOT	15
167	KirksteadOT	15
168	SpaldingPS	15
169	SuttonBridgeOT	15
170	SuttonBridgePS	15

171	HardwickOT	16
172	WinkfieldNTOT	16
173	WinkfieldSEOT	16
174	WinkfieldSOOT	16





**APPENDIX 2: NATIONAL, AREA AND ZONAL MAXIMAS**

The information displayed in this appendix will apply for gas years 2010/11 and 2011/12 and shall subsequently be reviewed.

<b>Area</b>	<b>Zone</b>	<b>Zonal maxima</b>	<b>Area maxima</b>	<b>National Maximum</b>
North	0	3.58	9.00	22
	1	4.60		
	2	0.40		
	3	3.19		
	4	5.95		
Central	5	1.54	8.00	
	6	0.64		
	11	2.67		
	12	2.21		
	15	1.46		
West	7	2.02	5.00	
	14	1.62		
East	8	2.03	8.00	
	9	3.01		
	10	1.29		
	13	3.26		
	16	1.21		

**APPENDIX 3: TRANSITIONAL TIMETABLE**

<b>Date Held</b>	<b>Product (Flat/Flex)</b>	<b>Auction/ Application</b>	<b>Annual/Long/ Medium/Short Term</b>	<b>Period</b>
July 2007	Flat	Applications	Long Term (Increase and confirmation of Initial Prevailing rights)	Oct-2010 onwards
July 2007	Flexibility	Auctions	Annual	Oct-2010 to Sep-2012
July 2008	Flat	Applications	Long Term (Increase and reductions)	Oct-2011 onwards
July 2008	Flexibility	Auctions	Annual	Oct-2010 to Sep-2013
[August] 2008	Flat	Auctions	Medium Term	Oct-2010 to Sep-2011
July 2009	Flat	Applications	Long Term (Increase and reductions)	Oct-2012 onwards
July 2009	Flexibility	Auctions	Annual	Oct-2010 to Sep-2014
Aug 2009	Flat & Flexibility	Trading/Transfers		Oct 2010 onwards
[August] 2009	Flat	Auctions	Medium Term	Oct-2010 to Sep-2012
Oct-2009	Flat & Flexibility	Holdings considered in security/indebtedness processes.		Oct-2010
July 2010	Flat	Applications	Long Term (Increase and reductions)	Oct-2013 onwards
July 2010	Flexibility	Auctions	Annual	Oct-2010 to Sep-2015
[August] 2010	Flat	Auctions	Medium Term	Oct-2010 to Sep-2013
24 <sup>th</sup> Sept 2010	Flat & Flexibility	Bidding	Short Term	1-Oct-2010
30 <sup>th</sup> Sep-2010	Flat and Flexibility (day ahead) + Flat (Interruptible)	Auctions	Short Term	1-Oct-2010
01 <sup>st</sup> Oct-2010	Flat and Flexibility (within day)	Flat and Flexibility	Short Term	1-Oct-2010
Nov-2010	Flat and Flexibility	Invoices issued		For Oct-2010