

Market Operation

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[Monday 1st June 2015]

Dear Colleague

Information on the Bacton Capacity Reallocation Invitation Process

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

Please note if you do not hold any Registered NTS Entry Capacity at the Bacton ASEP from 1 November 2015 onwards there is no action required.

By [6th July 2015], National Grid will undertake the Initial Capacity Reallocation Process. If the Initial Capacity Reallocation Process 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 the Users' behalf, and the User is not required to undertake any actions on National Grid's systems. In this instance the process will be completed by [20th July 2015].

If, however, the Initial Capacity Reallocation Process does not fully reallocate all existing Registered 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 oversubscribed 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 second process is required, it is anticipated that the whole process will be completed by [22nd September 2015].

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list). An Automated Notification Service (ANS) message will also be issued informing Users that the invitation has been issued.

For avoidance of doubt, expressions used within this 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 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