

Draft: ~~4-17~~ October 2014

**NOTE: CHANGES SPECIFIC TO 0501B HIGHLIGHTED IN YELLOW - OTHER CHANGES CONSEQUENTIAL ON CHANGES TO 0501 SINCE 8/10/14 MEETING**

**MODIFICATION 0501B TREATMENT OF EXISTING ENTRY CAPACITY RIGHTS AT THE BACTON ASEP TO COMPLY WITH EU CAPACITY REGULATIONS, INCLUDING A RESTRICTED CAPACITY RETURN OPTION**

[Draft proposed legal text]

**TRANSITION DOCUMENT**

Add new Part ~~VB-IIE~~ to read as follows:

**UNIFORM NETWORK CODE - TRANSITION DOCUMENT**

**PART ~~VB-IIE~~<sup>4</sup> - RE-ALLOCATION OF NTS ENTRY CAPACITY AT BACTON ASEP**

**1 Introduction**

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 ~~VB-IIE~~ contains provisions for the re-allocation of a Bacton Users' Relevant Registered NTS Entry Capacity at the Bacton ASEP as:

- (a) Registered ~~Interconnection Point~~IP Capacity at the Bacton IP ASEP; or
- (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP.

1.2 For the purposes of this Part ~~VB-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; <sup>2</sup>
- (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; <sup>3</sup>

<sup>4</sup> ~~Part VA will contain other transitional rules, e.g. as to effectiveness of different Modifications.~~

<sup>2</sup> To confirm name of new NTS Entry Point to be used in NGG's Transporter's Licence.

<sup>3</sup> To confirm name of new NTS Entry Point to be used in NGG's Transporter's Licence.

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

~~(e)~~(f) **"re-allocation invitation"** is an invitation made by National Grid NTS inviting Bacton Users to propose a re-allocation of Relevant Registered NTS Entry Capacity in accordance with this Part ~~V~~**BII**E;

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

~~(g)~~(h) **"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 4.3;

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

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

~~(j)~~(k) **"relevant proportion"** means, in respect of a new ASEP for a relevant ~~month or relevant quarter~~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 ~~month or relevant quarter~~period:

OEC is the Obligated Entry Capacity for the new ASEP;

TOEC is the Total Obligated Entry Capacity;

~~(k)~~(l) **"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**");

~~(l)~~(m) **"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**");

(m)(n) **"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;

(m)(o) **"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

(p) 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) invite each Bacton User to propose a re-allocation of the User's Relevant Registered NTS Entry Capacity as:

- (i) Registered ~~Interconnection Point IP~~ Capacity at the Bacton IP ASEP; or
- (ii) Registered NTS Entry Capacity at the Bacton UKCS ASEP;

(b) specify:

- (i) each relevant ~~month and relevant quarterperiod~~ in respect of which the invitation applies;
- (ii) the date falling twenty (20) 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;<sup>4</sup>

<sup>4</sup>~~NGG to confirm use of facsimile.~~

- (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 ~~month(s) and relevant quarterperiod~~(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;
- (c) 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 ~~month and relevant quarterperiod~~;
  - (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) for each relevant ~~month and quarterperiod~~ in respect of which the User holds Relevant Registered NTS Entry Capacity the amount of that capacity which the User proposes is re-allocated as:
  - (i) Registered ~~Interconnection Point~~IP Capacity at the Bacton IP ASEP; or
  - (ii) Registered NTS Entry Capacity at the Bacton UKCS ASEP;
- (c) 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 ~~Interconnection Point~~IP Capacity at the Bacton IP ASEP; or
  - (ii) Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;
- (d) the facsimile number to which National Grid NTS should send the information referred to in paragraph 4.1.

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~~(eb)~~(ii).

1.6 A re-allocation notification submitted by a Bacton User:

- (a) may propose that all or any part of the User's Relevant Registered NTS Entry Capacity for a relevant period be re-allocated as Registered ~~Interconnection Point~~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 Relevant 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 [Interconnection Point](#)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.

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 which does not comply with paragraph 1.6(b) in respect of a relevant period;
- (c) does not propose in a re-allocation notification a re-allocation for a relevant period in respect of which the User holds Relevant Registered NTS Entry Capacity;
- (d) 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) for a relevant period;
  - (iii) proposes an amount of Registered [Interconnection Point](#)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 ~~to 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), (b) or (c), the User shall be deemed for the purposes of this Part [VB-III](#) to have proposed a re-allocation of the User's Relevant Registered NTS Entry Capacity for the relevant [month\(s\) or relevant quarter period\(s\)](#) as between the Bacton IP ASEP and the Bacton UKCS ASEP in the relevant proportions;
- (b) pursuant to paragraph 1.7(d), the User shall be deemed for the purposes of this Part [VB-III](#) to have proposed the Transferred System Capacity be treated as Registered [Interconnection Point](#)IP Capacity and Registered NTS Entry Capacity for the relevant [month\(s\) or relevant quarter 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 Interconnection Point 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 months and relevant quarters 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 month and relevant period quarter in relation to which paragraph 2.4 does not apply.

1.10 Where all Bacton Users' Relevant Registered NTS Entry Capacity for all relevant months and relevant quarters periods is 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 Relevant Registered NTS Entry Capacity at the Bacton ASEP for a relevant period is re-allocated in accordance with this Part VBII E:

- (a) the Bacton User shall be treated as holding, with effect from 1 November 2015 Registered NTS Interconnection Point 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 4.3;

(b) in relation to a Relevant Transfer, and subject to paragraph 1.12:

(b)(i) a Transferor Bacton User's Available NTS Interconnection Point System Capacity at the Bacton IP ASEP and Available NTS Entry Capacity at the Bacton UKCS 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 the Transferred System Capacity which the Transferor Bacton User proposed (or was deemed proposed) be treated as Registered Interconnection Point Capacity and Registered NTS Entry Capacity; and

(ii) the Transferee Bacton User's Available NTS Interconnection Point System Capacity at the Bacton IP ASEP and Available NTS Entry Capacity at the Bacton UKCS 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 Transferred System Capacity which the Transferor Bacton User proposed (or was deemed proposed) be treated as Registered Interconnection Point Capacity and Registered NTS Entry 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(b) 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 greater than the amount of Transferred System Capacity which the Transferor Bacton User proposed (or is deemed to have proposed under paragraph 1.8(b)) be re-allocated as Registered System Capacity at the new ASEP, the User shall be deemed instead to have proposed a re-allocation of the Transferred System Capacity between the new ASEPs in the same proportion as the final re-allocation of the User's Relevant Registered NTS Entry Capacity between the new ASEPs in accordance with this Part IIE.

~~1.12~~1.13 Following the re-allocation of NTS Entry Capacity at the Bacton ASEP in accordance with this Part ~~VB-IIE~~ as NTS Entry IP Capacity at the Bacton IP ASEP and 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 Initial Capacity Re-allocation**

- 2.1 By 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 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 ~~month and relevant quarter period~~, the aggregate amount of Relevant Registered NTS Entry Capacity which Bacton Users propose be re-allocated as:
  - (a) Registered ~~Interconnection Point~~IP Capacity at the Bacton IP ASEP; and
  - (b) Registered NTS Entry Capacity at the Bacton UKCS ASEP.
- 2.4 Where the amount of Relevant Registered NTS Entry Capacity which Bacton Users propose be re-allocated in aggregate in relation to a relevant period as:
  - (a) Registered ~~Interconnection Point~~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 <sup>5</sup>
  - (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

<sup>5</sup> ~~Note Obligated Entry Capacity is defined "...in relation to a Day in a calendar month in a Formula Year...", see TPD B2.1.5(a).~~

NTS Entry Capacity shall be re-allocated to each Bacton User as Registered [Interconnection Point](#)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 Relevant Registered NTS Entry Capacity ~~at a new ASEP~~ in an amount which exceeds the Obligated Entry Capacity at ~~the 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 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 ~~month and relevant quarter~~period, the aggregate amount of Relevant Registered NTS Entry Capacity which Bacton Users propose be re-allocated as:

- (a) Registered [Interconnection Point](#)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 [Interconnection Point](#)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 [Interconnection Point](#)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 2.2 (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 Relevant 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 Registered NTS Entry Capacity at the Bacton IP ASEP as Registered [Interconnection Point IP](#) Capacity will be allocated Registered [Interconnection Point IP](#) Capacity pro rata the amounts proposed by all such Bacton Users, and Registered [Interconnection Point 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) a Bacton User who is allocated Registered [Interconnection Point 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 Relevant Registered NTS Entry Capacity for the relevant period;
  - (iii) a Bacton User who did not propose to be re-allocated Registered [Interconnection Point IP](#) Capacity will be allocated Registered NTS Entry Capacity at the Bacton UKCS ASEP in an amount equal to the User's Relevant Registered NTS Entry Capacity for the relevant period;
- (b) where the over-subscribed ASEP is the Bacton UKCS ASEP:
- (i) a Bacton User who proposes to re-allocate 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) a Bacton User who is allocated Registered NTS Entry Capacity under paragraph (i) will be allocated Registered [Interconnection Point IP](#) Capacity at the Bacton IP ASEP in an amount equal to the remainder of the User's Relevant Registered NTS Entry Capacity for the relevant period;
  - (iii) a Bacton User who did not propose to be re-allocated Registered NTS Entry Capacity will be allocated Registered [Interconnection Point IP](#) Capacity at the Bacton IP ASEP in an amount equal to the User's Relevant Registered NTS Entry Capacity for the relevant period.

#### 4 Re-allocation and Notification

4.1 **Without prejudice to paragraph 5, following** the re-allocation of all Bacton Users' Relevant 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 Relevant Registered NTS Entry Capacity is re-allocated:
- (i) Registered Monthly [Interconnection Point 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 Relevant Registered NTS Entry Capacity is re-allocated:

- (i) Registered Quarterly Interconnection PointIP 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 month and relevant quarterperiod in respect of which the Bacton User's Relevant 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 monthperiod specified under paragraph (a):
  - (i) the amount of NTS Entry Capacity re-allocated to the User as Registered Interconnection PointIP 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;
  - (iii) where paragraph 3.6(a)(ii) or (b)(ii) applies in relation to the re-allocation of Relevant Registered NTS Entry Capacity for the relevant period, the amount by which the Relevant Registered NTS Entry Capacity re-allocated to the new ASEP exceeds the amount the User proposed be re-allocated to the new ASEP for the relevant period in the User's re-allocation notification submitted in accordance with paragraph 3.2 (any such excess the "Excess Re-allocated Amount");
- (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 Interconnection PointIP Capacity at the Bacton IP ASEP and Registered NTS Entry Point Capacity at the Bacton UKCS ASEP;
- (d) all Bacton Users for each relevant quarter and relevant monthperiod 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 Interconnection PointIP 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 ~~month and relevant quarter period~~ (if any) in respect of which a further re-allocation is to be undertaken in accordance with paragraph 3.<sup>6</sup>

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.

## **5 Cancellation of Excess Re-allocated Amount**

5.1 Where in relation to a Bacton User there is an Excess Re-allocated Amount in respect of a relevant period the Bacton User may, by no later than the date falling twenty (20) Business Days following National Grid NTS's notification under paragraph 4.2, submit a notice ("**cancellation notice**") to National Grid specifying:

- (a) the identity of the Bacton User;
- (b) the relevant period and the new ASEP in relation to which the notice is submitted;
- (c) the amount of Registered IP Capacity or Registered NTS Entry Capacity which the Bacton User wishes to cancel for the relevant period ("**cancelled capacity**").

5.2 National Grid NTS shall not be required to take any action in relation to a cancellation notice which is submitted after the date referred to in paragraph 5.1 or which does not comply with paragraph 5.1(a) or (b); provided where a cancellation notice specifies an amount of Registered IP Capacity or Registered NTS Entry Capacity which is greater than the Excess Re-allocated Amount the notice shall be deemed to have been submitted in respect of the full Excess Re-allocated Amount.

5.3 Where a Bacton User submits a cancellation notice the amount of Registered IP Capacity or Registered specified (or deemed specified) in the cancellation notice shall be cancelled and the Bacton User shall cease to:

- (a) hold the cancelled capacity at the new ASEP for the relevant period;
- (b) be liable for any Capacity Charges in respect of the cancelled capacity for the relevant period.

and the Bacton User's Registered System Capacity for the relevant period notified in accordance with paragraph 4.1 shall be adjusted by deducting the amount of the cancelled capacity..

## **56 Dis-application of TPD Section B during Re-allocation process**

5.16.1 In respect of the Bacton ASEP:

- (a) 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;<sup>7</sup>
- (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 2015;<sup>8</sup>
  - (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 ~~an~~ any day after 31 October 2015.

~~5.26.2~~ 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.<sup>9</sup>

~~5.36.3~~ In respect of the Bacton IP ASEP:<sup>10</sup>

- (a) a Bacton User shall not be permitted to make a System Capacity Transfer in respect of Registered ~~Interconnection Point~~ 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.<sup>11</sup>

~~5.46.4~~ During the re-allocation period any other provision of the Code which would in any particular case conflict with the implementation of this Part ~~VB-III~~ shall to that extent not apply.

<sup>7</sup> ~~The normal rules will apply to the making of transfers for the period up to and including 31 October 2015 and there will be no restriction during the re-allocation period.~~

<sup>8</sup> ~~The normal rules will apply prior to this date, so NGG can tender for constraint purposes at the Bacton ASEP for the period up to 31 October 2015.~~

<sup>9</sup> ~~The Bacton UKCS ASEP will not exist prior to 1 November 2015 so the normal rules regarding transfers and tenders cannot apply beforehand so there is no need to dis-apply rules which cannot apply in any event. Similarly the normal rules re the auction of Monthly, Daily and Daily Interruptible NTS Entry Capacity cannot apply at the Bacton UKCS ASEP before this date, so there is no need to say so. This is why implementation on a 'gas flow day' basis is helpful, as it allows rules to apply and be binding for day D prior to day D.~~

<sup>10</sup> ~~The first day on which a System Capacity Transfer at the Bacton IP ASEP can be made will be 1 November 2015 when TPD B5 and EID B9 will apply. Note there is no rule about how far in advance of the Transfer Period a System Capacity Transfer may be notified.~~

