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14th January 2013

Dear Colleague

Annual Monthly System Entry Capacity (AMSEC) Auction

**Invitation to Participate in an Auction
for the Capacity Period April 2013 to September 2014**

Pursuant to Section B2.2.1(b) of the Transportation Principal Document (TPD) of the Uniform Network Code (UNC), National Grid Gas plc ("National Grid") in its role as holder of the Gas Transporter Licence in respect of the NTS (the "Licence") invites you to take part in the 2013 AMSEC auction for Monthly System Entry Capacity (MSEC).

The provisions of the UNC (including in particular, but not limited to, TPD Section B and any relevant provisions of the Transition Document) apply to this invitation letter, the 2013 Annual Monthly System Entry Capacity (AMSEC) auction for MSEC, any bids made and then rejected or accepted pursuant to such auction, and any subsequent allocation of MSEC. Words and expressions which are capitalised but not defined in this invitation letter but which are defined in the UNC shall have the meanings given to them in the UNC.

Users may make applications for MSEC for each calendar month for the capacity period 1st April 2013 to 30th September 2014 (inclusive).

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

- | | | |
|-------------------|--------------------------------------|--------------------|
| ➤ Monday | 11th February 2013 | (Tranche 1) |
| ➤ Thursday | 14th February 2013 | (Tranche 2) |
| ➤ Tuesday | 19th February 2013 | (Tranche 3) |
| ➤ Friday | 22nd February 2013 | (Tranche 4) |

On each date detailed above, the **auction window will commence at 08:00 and close at 17:00**. An MSEC bid may be withdrawn or amended until, but not after, 17:00. Allocations will be published to Users by 09:00 hours on the first Business Day following each invitation date.

The quantity of MSEC being offered for each month in the Capacity Period in respect of each Aggregate System Entry Point (ASEP) is shown in **Table One** attached to this invitation letter.

In each of the first three tranches of the AMSEC auction the amount of capacity offered will be 25% of the total MSEC being offered. In the fourth tranche the remaining 25% of total MSEC being offered will be offered for sale, together with any unsold from the previous three tranches.

Reserve prices apply for the AMSEC auction. The reserve prices are published in Table 3 of The Statement of Gas Transmission Transportation Charges, effective from 1 October 2012

and can be viewed via
www.nationalgrid.com/uk/Gas/Charges/statements/transportation/CurrentNTS/

Please note: There are different reserve prices for two separate delivery periods 01 Apr 2013 to 30 Sep 2013 and 01 Oct 2013 to 30 Sep 2014 within this AMSEC transaction period.

Following the close of each tranche, National Grid will publish the following information for each ASEP, for each month, on the National Grid website via <http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx> (select the following criteria: Auction Type: Annual Monthly System Entry Capacity, Report Type: Results (by Tranche), from: April 2013, to: September 2014):

- Weighted average price of all accepted bids
- Weighted average price of highest 50% of accepted bids
- Aggregate volume of allocated MSEC
- Total amount of revenue derived in respect of allocated MSEC
- Highest and lowest bids accepted
- Volume allocated at highest and lowest prices
- Total number of shippers who submitted successful capacity bids
- Total number of shippers who submitted unsuccessful capacity bids
- The amount of MSEC which remains unsold (if any) following the allocation.

UNC and Licence changes may occur at any time, which may increase or decrease capacity rights, or availability. Users are advised to keep themselves up to date with any regime changes.

Please note that this invitation is being sent by e-mail via the Joint Office and by webfax (business hours operational list) and will be posted on the National Grid website (<http://marketinformation.natgrid.co.uk/Gas/CapacityReports.aspx>). The fax delivery notification audit report will be considered as evidence of receipt. An ANS message will also be issued informing users that the invitation has been issued.

National Grid has put this document together with due care and attention. In the unlikely event of an error, National Grid reserves its right to correct the error and amend relevant elements of the auction as required.

If you have any queries with regards to entry capacity, the auction mechanism, Gemini or information provision then please do not hesitate to contact Stephen Carey 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,

Bradley Charles
Market Operation
National Grid

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

Month	Avonmouth (AV)	Bacton (BA)	Burton Point (BP)	Barrow (BR)	Barton Stacey (BS)	Cheshire (CH)
Apr-13	177,800,000	1,666,944,841	50,394,464	219,103,276	82,600,000	224,243,200
May-13	177,800,000	1,666,944,841	50,394,464	219,103,276	82,600,000	224,243,200
Jun-13	177,800,000	1,666,944,841	50,394,464	219,103,276	82,600,000	224,243,200
Jul-13	177,800,000	1,677,071,729	50,394,464	220,604,352	82,600,000	224,243,200
Aug-13	177,800,000	1,677,071,729	50,394,464	220,604,352	82,600,000	224,243,200
Sep-13	177,800,000	1,677,071,729	50,394,464	220,604,352	82,600,000	224,243,200
Oct-13	157,319,675	1,000,528,192	51,426,808	172,739,461	82,600,000	140,243,200
Nov-13	157,319,675	1,000,528,192	51,426,808	172,739,461	82,600,000	140,243,200
Dec-13	157,319,675	1,000,528,192	51,426,808	172,739,461	82,600,000	140,243,200
Jan-14	157,319,675	704,724,934	51,426,808	117,296,678	82,600,000	140,243,200
Feb-14	157,319,675	704,724,934	51,426,808	117,296,678	82,600,000	140,243,200
Mar-14	157,319,675	704,724,934	51,426,808	117,296,678	82,600,000	140,243,200
Apr-14	179,300,000	1,679,318,666	54,306,390	227,654,089	82,600,000	140,243,200
May-14	179,300,000	1,679,318,666	54,306,390	227,654,089	82,600,000	140,243,200
Jun-14	179,300,000	1,679,318,666	54,306,390	227,654,089	82,600,000	140,243,200
Jul-14	179,300,000	1,687,168,175	54,306,390	242,007,352	82,600,000	140,243,200
Aug-14	179,300,000	1,687,168,175	54,306,390	242,007,352	82,600,000	140,243,200
Sep-14	161,370,000	1,508,828,175	46,956,390	211,097,352	65,340,000	111,653,200

Month	Caythorpe (CT)	Dynevor Arms (DA)	Easington (EA)	Fleetwood (FL)	Glenmavis (GM)	Garton (GR)
Apr-13	0	49,000,000	1,033,728,354	650,000,000	99,000,000	0
May-13	0	49,000,000	1,033,728,354	650,000,000	99,000,000	0
Jun-13	0	49,000,000	1,040,728,354	650,000,000	99,000,000	0
Jul-13	0	49,000,000	1,034,866,735	650,000,000	99,000,000	0
Aug-13	0	49,000,000	1,039,866,735	650,000,000	99,000,000	0
Sep-13	0	49,000,000	1,042,866,735	650,000,000	99,000,000	0
Oct-13	0	27,019,675	126,806,478	650,000,000	99,000,000	0
Nov-13	0	27,019,675	126,806,478	650,000,000	99,000,000	0
Dec-13	0	27,019,675	126,806,478	650,000,000	99,000,000	0
Jan-14	0	27,019,675	0	650,000,000	99,000,000	0
Feb-14	0	27,019,675	0	650,000,000	99,000,000	0
Mar-14	0	27,019,675	0	650,000,000	99,000,000	0
Apr-14	0	49,000,000	1,047,737,355	650,000,000	99,000,000	0
May-14	0	49,000,000	1,047,737,355	650,000,000	99,000,000	0
Jun-14	0	49,000,000	1,047,737,355	650,000,000	99,000,000	0
Jul-14	0	49,000,000	1,077,537,355	650,000,000	99,000,000	0
Aug-14	0	49,000,000	1,077,537,355	650,000,000	99,000,000	0
Sep-14	0	44,100,000	971,337,355	650,000,000	89,100,000	0

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

Month	Hole House Farm (HH)	Hatfield Moor Onshore (HM)	Hornsea (HS)	Hatfield Moor Storage (HT)	Isle of Grain LNG (IG)	Milford Haven ¹ (MH)
Apr-13	0	300,000	35,000,000	25,000,000	147,080,000	0
May-13	0	300,000	35,000,000	25,000,000	147,080,000	0
Jun-13	0	300,000	35,000,000	25,000,000	147,080,000	0
Jul-13	0	300,000	233,100,000	25,000,000	147,080,000	99,000,000
Aug-13	0	300,000	233,100,000	25,000,000	147,080,000	99,000,000
Sep-13	13,160,000	300,000	233,100,000	25,000,000	147,080,000	99,000,000
Oct-13	13,160,000	300,000	35,000,000	25,000,000	43,600,000	0
Nov-13	13,160,000	300,000	35,000,000	25,000,000	43,600,000	0
Dec-13	13,160,000	300,000	35,000,000	25,000,000	43,600,000	0
Jan-14	13,160,000	300,000	27,310,000	3,000,000	43,840,000	0
Feb-14	13,160,000	300,000	27,310,000	3,000,000	43,840,000	0
Mar-14	13,160,000	300,000	27,310,000	3,000,000	43,840,000	0
Apr-14	13,160,000	300,000	35,000,000	25,000,000	147,080,000	0
May-14	13,160,000	300,000	35,000,000	25,000,000	147,080,000	0
Jun-14	13,160,000	300,000	35,000,000	25,000,000	147,080,000	0
Jul-14	13,160,000	300,000	233,100,000	25,000,000	147,080,000	0
Aug-14	13,160,000	300,000	233,100,000	25,000,000	147,080,000	0
Sep-14	0	270,000	215,600,000	22,500,000	125,280,000	0

Month	Partington (PR)	St. Fergus (SF)	Teesside (TE)	Theddlethorpe (TH)	Wytch Farm (WF)
Apr-13	215,000,000	1,380,757,700	210,788,456	545,798,892	3,300,000
May-13	215,000,000	1,380,757,700	212,288,456	546,698,892	3,300,000
Jun-13	215,000,000	1,380,757,700	212,288,456	547,498,892	3,300,000
Jul-13	215,000,000	1,393,372,980	216,767,948	548,298,892	3,300,000
Aug-13	215,000,000	1,393,372,980	216,867,948	548,998,892	3,300,000
Sep-13	215,000,000	1,393,372,980	216,867,948	549,698,892	3,300,000
Oct-13	193,019,675	1,109,961,699	211,403,919	563,940,709	3,300,000
Nov-13	193,019,675	1,109,961,699	211,403,919	563,940,709	3,300,000
Dec-13	193,019,675	1,109,961,699	211,403,919	563,940,709	3,300,000
Jan-14	193,019,675	1,127,714,167	198,274,186	572,242,545	3,300,000
Feb-14	193,019,675	1,127,714,167	198,274,186	572,242,545	3,300,000
Mar-14	193,019,675	1,127,714,167	198,274,186	572,242,545	3,300,000
Apr-14	215,000,000	1,419,135,313	207,924,702	581,931,800	3,300,000
May-14	215,000,000	1,419,135,313	207,924,702	581,931,800	3,300,000
Jun-14	215,000,000	1,419,135,313	207,924,702	581,931,800	3,300,000
Jul-14	215,000,000	1,398,583,349	208,776,097	581,931,800	3,300,000
Aug-14	215,000,000	1,398,583,349	208,776,097	581,931,800	3,300,000
Sep-14	193,500,000	1,231,513,349	161,176,097	520,861,800	2,970,000