

15<sup>th</sup> January 2009

Dear Colleague

## **Annual Monthly System Entry Capacity Auction (AMSEC)**

### **Invitation to participate in auction for capacity period April 2009 to March 2011**

Pursuant to Section B2.2 of the Transportation Principal Document (TPD) of the Uniform Network Code, National Grid Gas plc (National Grid) invites you to take part in the 2009 auction for Monthly System Entry Capacity (MSEC).

The provisions of the Uniform Network Code (including in particular, but not limited to, TPD Section B and any relevant provisions of the Transition Document) apply to this invitation, the 2009 Annual Monthly System Entry Capacity (AMSEC) auction for MSEC, any bids made and rejected or accepted pursuant to such auction, and any subsequent allocation of MSEC.

**Users may make applications for MSEC for each calendar month for the capacity period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2011 (inclusive) (the Capacity Period).**

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

- |                    |                                      |                    |
|--------------------|--------------------------------------|--------------------|
| ➤ <b>Thursday</b>  | <b>12<sup>th</sup> February 2009</b> | <b>(Tranche 1)</b> |
| ➤ <b>Tuesday</b>   | <b>17<sup>th</sup> February 2009</b> | <b>(Tranche 2)</b> |
| ➤ <b>Friday</b>    | <b>20<sup>th</sup> February 2009</b> | <b>(Tranche 3)</b> |
| ➤ <b>Wednesday</b> | <b>25<sup>th</sup> February 2009</b> | <b>(Tranche 4)</b> |

On each day, the **auction window will commence at 08:00 and close at 17:00**. A MSEC bid may be withdrawn or amended until, but not after, 17:00.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 Business Day following each invitation date.

The quantity of System Entry Capacity being offered for each month in the Capacity Period in respect of each Aggregate System Entry Point 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 System Entry Capacity being offered. In the fourth tranche the remaining 25% of System Entry Capacity being offered will be offered for sale, together with any unsold in the previous three tranches.

Reserve prices apply for the AMSEC auction. These are shown in **Table Two, page 7** within this invitation letter. The reserve prices are also published in Table 2 of The Statement of Gas Transmission Transportation Charges, effective from 1 October 2008 and can be viewed via [www.nationalgrid.com/uk/Gas/Charges/statements/](http://www.nationalgrid.com/uk/Gas/Charges/statements/)

**Please note: There are different reserve prices for three separate delivery periods within this AMSEC transaction period.**

Following the close of each tranche, National Grid will publish the following information for each Aggregate System Entry Point (ASEP) for each month on our Information Exchange Website ([www.nationalgrid.com](http://www.nationalgrid.com)). Once on the web-site, the information can be accessed through Capacity Auctions>Annual Monthly System Entry Capacity (AMSEC).

- Weighted average price of all accepted bids
- Weighted average price of highest 50% of accepted bids
- Aggregate volume of allocated System Entry Capacity
- Total amount of revenue derived in respect of allocated System Entry Capacity
- 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 System Entry Capacity which remains unsold (if any) following the allocation.

Points of Note for this Auction:

1. National Grid issued a notice on 9 November 2007 (and subsequently updated) pursuant to General Terms Section B3 of the UNC in relation to the Corse pressure reduction installation. This impacts on the level of gas flow that National Grid can accommodate at the Milford Haven ASEP. While National Grid is making capacity available at the Milford Haven ASEP in this Auction, Users should be aware that (due to the existence of the force majeure occurrence) National Grid may not be able to accommodate gas flows against all entry capacity booked in relation to the Milford Haven ASEP.
2. At the time of publication Modification Proposal 0237 – ‘Disposal of Dynevor Arms LNG Storage Facility’ is awaiting decision from Ofgem. For further information Users are advised to access the relevant industry communications on the Joint Office of Gas Transporters website.

Uniform Network Code and Licence changes may occur at any time, which may increase or decrease capacity rights, or availability. At present, there are two live UNC modification proposals (Mod 230/230A) which seek to alter future long term auction timing. Users are advised to keep themselves up to date with the regime changes.

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.

Please note that this letter will be sent by e-mail via the Joint Office of Gas Transporters and web fax (business hours operational list) and will be posted on the National Grid web site.

If you have any queries about the long term auction process, please contact either myself on +44 (0)1926 655342 or Sarah Lloyd on +44 (0)1926 654246. Alternatively the capacity team can be contacted by e-mail at: [capacityauctions@uk.ngrid.com](mailto:capacityauctions@uk.ngrid.com)

If you have any queries pertaining to the Daily Auctions, please contact Sarah Magee on +44 (0)1926 654055.

Yours sincerely,  
For and on behalf of  
**National Grid Gas plc**

Kay Haycock  
Capacity Auction Team Leader  
Network Operations

**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-09	179,300,000	1,351,270,041	18,500,000	146,800,000	82,600,000	200,900,000
May-09	179,300,000	1,472,952,097	18,500,000	186,800,000	82,600,000	200,900,000
Jun-09	179,300,000	1,473,600,442	18,500,000	186,800,000	82,600,000	200,900,000
Jul-09	179,300,000	1,479,280,982	18,500,000	180,900,000	82,600,000	155,900,000
Aug-09	179,300,000	1,477,276,132	18,500,000	180,900,000	82,600,000	155,900,000
Sep-09	179,300,000	1,477,667,901	18,500,000	155,675,000	82,600,000	155,900,000
Oct-09	164,646,450	773,619,044	18,500,000	133,400,000	82,600,000	114,700,000
Nov-09	164,646,450	688,437,771	18,500,000	133,400,000	82,600,000	114,700,000
Dec-09	164,646,450	644,405,687	18,500,000	133,400,000	82,600,000	114,700,000
Jan-10	23,100,000	680,546,249	18,500,000	133,500,000	82,600,000	114,700,000
Feb-10	23,100,000	680,546,249	18,500,000	133,500,000	82,600,000	114,700,000
Mar-10	23,100,000	680,546,249	18,500,000	133,500,000	82,600,000	114,700,000
Apr-10	179,300,000	1,541,433,643	29,500,000	230,700,000	82,600,000	114,700,000
May-10	179,300,000	1,541,433,643	29,500,000	230,700,000	82,600,000	114,700,000
Jun-10	179,300,000	1,541,433,643	29,500,000	230,700,000	82,600,000	114,700,000
Jul-10	179,300,000	1,567,828,420	29,500,000	271,700,000	82,600,000	114,700,000
Aug-10	179,300,000	1,567,828,420	29,500,000	271,700,000	82,600,000	114,700,000
Sep-10	161,370,000	1,389,488,420	22,150,000	240,790,000	74,340,000	86,110,000
Oct-10	117,409,350	710,022,964	24,576,419	129,590,000	74,340,000	86,110,000
Nov-10	117,409,350	710,022,964	24,576,419	129,590,000	74,340,000	86,110,000
Dec-10	117,409,350	710,022,964	24,576,419	129,590,000	74,340,000	86,110,000
Jan-11	117,409,350	690,813,058	24,576,419	129,590,000	74,340,000	87,053,200
Feb-11	117,409,350	690,813,058	24,576,419	129,590,000	74,340,000	87,053,200
Mar-11	117,409,350	690,813,058	24,576,419	129,590,000	74,340,000	87,053,200

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

Month	Dynevor Arms (DA)	Easington (EA)	Fleetwood (FL)	Glenmavis (GM)	Garton (GR)	Hole House Farm (HH)
Apr-09	49,000,000	627,957,721	0	99,000,000	2	110,821,266
May-09	49,000,000	639,371,421	0	99,000,000	2	110,821,266
Jun-09	49,000,000	643,871,421	0	99,000,000	2	110,821,266
Jul-09	49,000,000	644,890,538	0	99,000,000	2	110,821,266
Aug-09	49,000,000	642,890,538	0	99,000,000	2	110,821,266
Sep-09	49,000,000	637,017,102	0	99,000,000	2	110,821,266
Oct-09	41,800,000	106,200,001	0	99,000,000	2	110,821,266
Nov-09	41,800,000	106,200,001	0	99,000,000	2	110,821,266
Dec-09	41,800,000	106,200,002	0	99,000,000	2	110,821,266
Jan-10	41,800,000	106,200,004	0	73,350,000	2	110,821,266
Feb-10	41,800,000	106,200,004	0	73,350,000	2	110,821,266
Mar-10	41,800,000	106,200,004	0	73,350,000	2	110,821,266
Apr-10	49,000,000	993,518,599	0	99,000,000	2	13,160,000
May-10	49,000,000	993,518,599	0	99,000,000	2	13,160,000
Jun-10	49,000,000	993,518,599	0	99,000,000	2	13,160,000
Jul-10	49,000,000	996,689,602	0	99,000,000	2	13,160,000
Aug-10	49,000,000	996,689,602	0	99,000,000	2	13,160,000
Sep-10	44,100,000	890,489,602	0	89,100,000	2	0
Oct-10	139,350	32,338,043	0	89,100,000	0	0
Nov-10	139,350	32,338,043	0	89,100,000	0	0
Dec-10	139,350	32,338,043	0	89,100,000	0	0
Jan-11	139,350	0	0	89,100,000	0	0
Feb-11	139,350	0	0	89,100,000	0	0
Mar-11	139,350	0	0	89,100,000	0	0

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

Month	Hatfield Moor OnShore (HM)	Hornsea (HS)	Hatfield Moor Storage (HT)	Isle of Grain LNG (IG)	Milford Haven <sup>1</sup> (MH)	Partington (PR)
Apr-09	300,000	175,000,000	25,000,000	323,440,000	299,000,000	215,000,000
May-09	300,000	175,000,000	25,000,000	323,440,000	299,000,000	215,000,000
Jun-09	300,000	175,000,000	25,000,000	323,440,000	299,000,000	215,000,000
Jul-09	300,000	175,000,000	25,000,000	323,440,000	349,000,000	215,000,000
Aug-09	300,000	175,000,000	25,000,000	323,440,000	349,000,000	215,000,000
Sep-09	300,000	175,000,000	25,000,000	323,440,000	349,000,000	215,000,000
Oct-09	30,000	174,700,000	11,590,500	43,600,000	0	200,346,450
Nov-09	30,000	130,739,350	11,590,500	43,600,000	0	200,346,450
Dec-09	30,000	130,739,350	11,590,500	43,600,000	0	200,346,450
Jan-10	30,000	27,310,000	11,600,000	43,600,000	0	57,860,000
Feb-10	30,000	27,310,000	11,600,000	43,600,000	0	57,860,000
Mar-10	30,000	27,310,000	11,600,000	43,600,000	0	57,860,000
Apr-10	300,000	35,000,000	25,000,000	393,440,000	299,000,000	215,000,000
May-10	300,000	35,000,000	25,000,000	393,440,000	299,000,000	215,000,000
Jun-10	300,000	35,000,000	25,000,000	393,440,000	299,000,000	215,000,000
Jul-10	300,000	233,100,000	25,000,000	393,440,000	299,000,000	215,000,000
Aug-10	300,000	233,100,000	25,000,000	393,440,000	299,000,000	215,000,000
Sep-10	270,000	215,600,000	22,500,000	371,640,000	299,000,000	193,500,000
Oct-10	270,000	17,500,000	22,500,000	21,800,000	0	149,539,350
Nov-10	270,000	17,500,000	22,500,000	21,800,000	0	149,539,350
Dec-10	270,000	17,500,000	22,500,000	21,800,000	0	149,539,350
Jan-11	0	0	9,100,000	21,800,000	0	149,539,350
Feb-11	0	0	9,100,000	21,800,000	0	149,539,350
Mar-11	0	0	9,100,000	21,800,000	0	149,539,350

<sup>1</sup> See point 1 of “Points of Note for this Auction” on the second page of the letter to which this table is attached.

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

Month	St.Fergus (SF)	Teesside (TE)	Theddlethorpe (TH)	Wytch Farm (WF)
Apr-09	968,144,400	204,382,227	466,122,444	2,475,000
May-09	969,144,400	211,521,212	470,262,444	2,475,000
Jun-09	978,544,400	207,118,474	470,262,445	2,475,000
Jul-09	1,078,710,741	229,172,238	497,899,057	2,475,000
Aug-09	1,078,710,741	228,656,635	497,899,057	2,475,000
Sep-09	1,078,710,741	229,654,935	497,899,057	2,475,000
Oct-09	613,715,786	220,739,468	478,685,634	2,557,500
Nov-09	613,715,786	212,364,056	478,212,769	2,557,500
Dec-09	613,715,786	212,934,801	479,206,923	2,557,500
Jan-10	709,628,951	227,321,242	489,541,786	2,557,500
Feb-10	710,928,951	226,550,622	489,809,240	2,557,500
Mar-10	711,928,951	228,692,977	491,297,847	2,557,500
Apr-10	1,154,029,280	265,820,479	538,681,640	3,300,000
May-10	1,154,029,280	265,820,479	538,681,640	3,300,000
Jun-10	1,154,029,280	265,820,479	538,681,640	3,300,000
Jul-10	1,176,809,056	280,290,708	543,581,640	3,300,000
Aug-10	1,176,809,056	280,290,708	543,581,640	3,300,000
Sep-10	1,009,739,056	232,690,708	482,511,640	2,970,000
Oct-10	507,388,317	183,054,617	476,026,685	2,970,000
Nov-10	507,388,317	183,054,617	476,026,685	2,970,000
Dec-10	507,388,317	183,054,617	476,026,685	2,970,000
Jan-11	557,481,681	198,104,208	482,993,427	2,970,000
Feb-11	557,481,681	198,104,208	482,993,427	2,970,000
Mar-11	557,481,681	198,104,208	482,993,427	2,970,000

**Table Two - Reserve Prices for Monthly System Entry Capacity (pence per kWh per day)**

<b>ASEP</b>	<b>01 Oct 08 to 30 Sep 09</b>	<b>01 Oct 09 to 30 Sep 10</b>	<b>01 Oct 10 to 31 Mar 11</b>
Avonmouth	0.0001	0.0001	0.0001
Bacton	0.0072	0.0083	0.0084
Barrow	0.0066	0.0047	0.0070
Barton Stacey	0.0001	0.0001	0.0001
Burton Point	0.0001	0.0001	0.0001
Cheshire	0.0001	0.0001	0.0001
Dynevor Arms	0.0001	0.0001	0.0001
Easington (incl. Rough)	0.0086	0.0095	0.0092
Fleetwood	0.0001	0.0001	0.0052
Garton	0.0091	0.0095	0.0100
Glenmavis	0.0173	0.0153	0.0172
Hatfield Moor (onshore)	0.0027	0.0030	0.0028
Hatfield Moor (storage)	0.0027	0.0030	0.0028
Hole House Farm	0.0001	0.0001	0.0001
Hornsea	0.0088	0.0089	0.0090
Isle of Grain	0.0001	0.0001	0.0006
Milford Haven	0.0181	0.0188	0.0172
Partington	0.0001	0.0001	0.0001
St Fergus	0.0367	0.0376	0.0378
Teesside	0.0082	0.0073	0.0083
Theddlethorpe	0.0074	0.0084	0.0082
Wytch Farm	0.0001	0.0001	0.0001