

NGG Investment Following 2006 LTSEC Auction

Following the Transmission Workstream on 2 August, National Grid took an action to provide an update of the projects underway following the 2006 LTSEC auction. The 2006 10YS provides a view of the projects which were planned for construction, but this note provides more up to date information concerning those projects.

1. Following the LTSEC auction of September 2006 incremental bids were received at a number of entry points. All of the allocations in the table below passed the required NPV test.

ASEP	Amount (GWh/day)	Year
Easington	345	Oct 2009
Hornsea	58	Jan 2010
Fleetwood	650	Oct 2010
Cheshire	64	Oct 2010
	257	Jan 2012

2. As a result of the allocations described above a range of investments have been identified to support incremental gas flows. The investments are listed in the table below. At this stage, all pipeline investment has been sanctioned, minor modification works can be sanctioned at a later date to fit the lead times associated with such activities. The final commissioning date may vary from the nominal dates in the table to fit anticipated build up of incremental gas supplies.

Project Identified	Year Required	Dimensions
Easington to Paull Pipeline	2009	26 km, 1200mm
Warburton to Cheshire to Audley Pipeline	2010	49m, 1200mm
Paul to Goxhill Pipeline (Humber crossing)	2010	6 km, 1200mm
Goxhill to Hatton Pipeline	2010	63km, 1200mm
Hatton Compressor Modifications	2010	High Flow Modifications
Warrington Compressor Modifications	2010	High Flow Modifications
Scunthorpe Compressor Modifications	2010	High Flow Modifications

3. The investments identified above should be sufficient to enable a wide range of gas flow combinations (but not all) from existing entry points in combination with the incremental demands placed in the September 2006 auctions. However, it should be noted that whilst these projects have been sanctioned at the current time, they will be subject to further review in the light of any subsequent information.