national**grid**

National Grid House

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National Gas Emergency Service - 0800 111 999* (24hrs) *calls will be recorded and may be monitored

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Monday 27th January 2014 Dear Colleague

Quarterly System Entry Capacity (QSEC) Surrender Auction

Invitation to participate in the Surrender Process for EU Interconnection Points for Capacity period October 2015 to September 2030

Following implementation of UNC modification 0449 and pursuant to TPD Section B, Annex B-3 of the Uniform Network Code, National Grid Gas plc ("National Grid") invites you to take part in the 2014 Quarterly NTS Entry Capacity surrender process for EU Interconnection Points (IP's) at the following IP:

Bacton ASEP

The provisions of the Uniform Network Code (UNC) (including in particular, but not limited to, TPD Section B and Annex B-3) apply to this invitation, the 2014 QSEC auction, any bids made and rejected pursuant to such auction, and any subsequent allocation of surrendered capacity, at an IP, via this surrender process.

National Grid will conduct the surrender process for the IP on the following dates:

Monday 3rd February 2014 Tuesday 4th February 2014 Wednesday 5th February 2014 Thursday 6th February 2014 Friday 7th February 2014

Each day of the surrender window will commence at 08:00 and close at 17:00 on the same calendar day. Each surrender offer may be withdrawn or amended until, but not after, 17:00 on each day. Users may submit one surrender offer per surrender period or one surrender offer for multiple surrender periods per IP but may have no more than one surrender offer applicable to any one surrender period. For the purposes of this surrender process each surrender period will be one calendar quarter. Users are invited to submit Quarterly NTS Entry Capacity surrender offers in kWh/day (but not for a quantity less than 100,000kWh/day) up to an aggregate amount not exceeding their Firm NTS Entry Capacity entitlement at the IP for that month. If these criteria are not met the surrender offer will be rejected.

All surrender offer(s) must be submitted via facsimile and each surrender offer will be time stamped. Where surrender offers are subsequently accepted this will be in order of time stamp i.e. surrender offers will taken based on the time and date that they were received by National Grid with the earliest received taken first. Please note that National Grid will only accept a surrender offer for a surrender period where the quantity of unsold NTS Entry Capacity made available in the QSEC Auction is exceeded by the aggregate capacity bid quantities received.

Surrender offers are to be sent via the following facsimile number:

Direct fax: +44 (0)1926 654059

Each surrender offer will specify:

- The identity of the User
- The IP
- The relevant System Capacity which for this surrender process will be Quarterly NTS Entry Capacity
- The amount of System Capacity subject to the surrender offer (which will not be less than the minimum surrender amount of 100,000kWh/day)
- The minimum amount which the User is willing to surrender (which will not be less than the minimum surrender amount of 100,000kWh/day)
- The surrender period or surrender periods (where more than one surrender period is specified such periods need not be consecutive)

A proforma for the submitting of surrender offers is contained within Appendix 1.

Any surrender offer will be taken as confirmation that sufficient NTS System Entry Capacity is held by the User.

Users will be informed of the aggregate quantity of NTS Entry Capacity that has been offered for surrender, for each surrender period, within the 2014 annual invitation for Quarterly NTS Entry Capacity (QSEC auction invitation).

Surrendering Users will be notified of the details of their accepted surrender offers within five Business Days of the allocation of the QSEC auction

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

For avoidance of doubt, expressions used within this invitation letter should be interpreted as having the same meaning as per the UNC.

If you have any queries regarding this auction process please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at <u>capacityauctions@nationalgrid.com</u>

Yours faithfully,

Stephen Carey Market Operation National Grid

APPENDIX 1

Surrender of Entry Capacity under Congestion Management Procedures

Capacity Team, Warwick		el: 01926 65 4057	Fax: 01926 65 4059
Auction:	QSEC	Auction Transaction Period	01 Oct 2015 to 30 Sep 2030

BA Code: (i.e. Gemini 3 letter code) Shipper Name

confirm that the following firm entitlements are being offered for surrender at Bacton ASEP IP in accordance with UNC Transportation Principal Document Section B Annex B3. To withdraw or amend existing surrender offers for a particular sub-transaction period then please send a new

form with the new quantities for each relevant sub-transaction period. (Quantity of 0 for withdrawal).

Interconnection Point (IP) ASEP ID	Sub- transaction period start date	Sub- transaction period end date	Surrender Offer Quantity (kWh/d)	Minimum Surrender Amount (kWh/d)
Fax Originated By		1	Fax Received By	
Company			On Behalf Of	National Grid
Signature			Signature	
Position			Position	
Date			Date	
Tel No			Tel No	01926 65 4057
Fax No			Fax No	01926 65 4059

Please note: Illegibility and/or failure to complete the proforma correctly will result in NON input of data and the return of the form to the originator

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