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Dear Stuart,

Update of Indicative Notice of Revised Gas NTS Exit Capacity Charges to apply from 1 October 2010

On 29th March 2010 National Grid gave an indicative notice of revised Gas NTS Exit Capacity charges to apply from 1st October 2010. Following customer feedback and noting some significant changes to the charges, the notice was published earlier than usual as most of the relevant information required to produce our prices was available ahead of the 150 days before 1st October 2010.

Updated demand data, used in our transportation model, became available at the end of May. This allowed National Grid to carry out further analysis of the October 2010 exit capacity charges. The change in demand forecasts has had a marked effect on the indicative values given in March and so National Grid is publishing an **updated** Indicative Notice of Gas NTS Exit Capacity Charges to apply from 1st October 2010. **This notice relates to TO Exit Capacity charges for 2010/11.**

The following are our **updated** indicative rates for the NTS TO exit capacity charges to apply from 1st October 2010.

The updated indicative NTS TO exit capacity charges along with the current rates, absolute and percentage changes, are in the attached table at the end of this notice. The previous indicatives are also included for reference.

The charges have been derived from our Transportation Model. The model has been updated to reflect only the **changes in our demand** forecasts in accordance with the Statement of the Gas Transmission Transportation Charging Methodology. All previous input data remains as in the previous indicative notice. The following points should be noted:

- Demand forecasts have risen compared to last years forecasts for 2010/11. This has been driven by expected increases in demand for gas at power stations due to new loads, and increased peak levels through the Moffat Interconnector and the LDZs.
- The increase in demand requires increases in supplies from the Milford Haven and Isle of Grain LNG importation terminals in order to balance supply and demand. Flows are now similar to those in the 2009/10 model resulting in small changes in the exit capacity rates.
- The previously indicated large changes in the Northern, North West and South Wales locations have been reversed back to levels similar to current rates.
- Only target revenue will require updating in the transportation model for the final exit capacity charges.

These changes will be discussed in more detail at the July Gas Transmission Charging Methodology Forum (TCMF).

National Grid makes the Transportation Model available to parties that have signed the licence agreement for the model. Details of how to obtain the model can be found on the charging section of our website¹.

For the avoidance of doubt, indicative changes in commodity charges were published at the beginning of May and will not be updated.

The notice of all actual charges that shall apply from 1st October 2010 will be published by 1st August 2010, in line with the two months notice required by our licence and Network Code obligations.

Other supporting charge setting information is also available on the National Grid gas charging section of our website.

If you have any questions about this Notice, or NTS charges in general, please contact myself or the Charging and Revenue Team on 01926-654633.

Anne Bennett
Charging & Revenue Manager

¹ <http://www.nationalgrid.com/uk/Gas/Charges/Tools/>

Indicative NTS TO Exit Capacity Charges from 1 October 2010 to 30 September 2011

Invoice	Charge Codes
CAP	NDX (DM) / NNX (NDM)

Pence per peak day kWh per day

Network	DN Exit Zone	Current	Previous Indicative	Revised Indicative	Change on Previous Indicative	Change on Current	% Change on current
East of England	EA1	0.0054	0.0057	0.0053	-0.0004	-0.0001	-1.9%
	EA2	0.0061	0.0065	0.0061	-0.0004	0.0000	0.0%
	EA3	0.0013	0.0014	0.0009	-0.0005	-0.0004	-30.8%
	EA4	0.0114	0.0115	0.0111	-0.0004	-0.0003	-2.6%
	EM1	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
	EM2	0.0044	0.0045	0.0041	-0.0004	-0.0003	-6.8%
	EM3	0.0148	0.0155	0.0150	-0.0005	0.0002	1.4%
	EM4	0.0103	0.0108	0.0104	-0.0004	0.0001	1.0%
North of England	NE1	0.0057	0.0059	0.0056	-0.0003	-0.0001	-1.8%
	NE2	0.0010	0.0011	0.0010	-0.0001	0.0000	0.0%
	NE3	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
	NO1	0.0046	0.0004	0.0044	0.0040	-0.0002	-4.3%
	NO2	0.0054	0.0003	0.0044	0.0041	-0.0010	-18.5%
London	NT1	0.0201	0.0210	0.0206	-0.0004	0.0005	2.5%
	NT2	0.0119	0.0124	0.0120	-0.0004	0.0001	0.8%
	NT3	0.0114	0.0119	0.0114	-0.0005	0.0000	0.0%
North West	NW1	0.0158	0.0103	0.0154	0.0051	-0.0004	-2.5%
	NW2	0.0202	0.0150	0.0201	0.0051	-0.0001	-0.5%
Scotland	SC1	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
	SC2	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
	SC4	0.0002	0.0001	0.0001	0.0000	-0.0001	-50.0%
South of England	SE1	0.0144	0.0149	0.0145	-0.0004	0.0001	0.7%
	SE2	0.0201	0.0210	0.0206	-0.0004	0.0005	2.5%
	SO1	0.0148	0.0155	0.0151	-0.0004	0.0003	2.0%
	SO2	0.0230	0.0239	0.0235	-0.0004	0.0005	2.2%
Wales & the West	SW1	0.0158	0.0189	0.0161	-0.0028	0.0003	1.9%
	SW2	0.0235	0.0246	0.0242	-0.0004	0.0007	3.0%
	SW3	0.0341	0.0355	0.0351	-0.0004	0.0010	2.9%
	WA1	0.0229	0.0197	0.0236	0.0039	0.0007	3.1%
	WA2	0.0090	0.0236	0.0091	-0.0145	0.0001	1.1%
West Midlands	WM1	0.0187	0.0181	0.0191	0.0010	0.0004	2.1%
	WM2	0.0154	0.0161	0.0157	-0.0004	0.0003	1.9%
	WM3	0.0139	0.0154	0.0141	-0.0013	0.0002	1.4%

Indicative NTS TO Exit Capacity Charges (continued)

Invoice	Charge Code
CAP	NDX (DM)

Pence per peak day kWh per day

	Site Name as NTS Licence Special Condition C8E	Current	Previous Indicative	Revised Indicative	Change on Previous Indicative	Change on Current	% Change on current
Baglan Bay PG	Tonna (Baglan Bay)	0.0068	0.0212	0.0067	-0.0145	-0.0001	-1.5%
Barking PG	Barking (Horndon)	0.0117	0.0122	0.0118	-0.0004	0.0001	0.9%
Billingham ICI	Billingham ICI (Terra Billingham)	0.0060	0.0001	0.0059	0.0058	-0.0001	-1.7%
BP Grangemouth	Blackness (BP Grangemouth)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
BP Saltend HP	Saltend BPHP (BP Saltend HP)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Bridgewater Paper	Shotwick (Bridgewater Paper)	0.0227	0.0175	0.0226	0.0051	-0.0001	-0.4%
Brigg PG	Blyborough (Brigg)	0.0032	0.0033	0.0029	-0.0004	-0.0003	-9.4%
Brimsgate PG	Epping Green (Enfield Energy, aka Brimsgate)	0.0131	0.0127	0.0123	-0.0004	-0.0008	-6.1%
Brunner Mond	Pickmere (Winnington Power, aka Brunner Mond)	0.0200	0.0147	0.0198	0.0051	-0.0002	-1.0%
Centrax	Centrax Industrial	0.0333	0.0349	0.0344	-0.0005	0.0011	3.3%
Connahs Quay PS	Burton Point (Connahs Quay)	0.0224	0.0172	0.0222	0.0050	-0.0002	-0.9%
Corby PS	Caldecott (Corby PS)	0.0101	0.0106	0.0102	-0.0004	0.0001	1.0%
Coryton PG	Stanford Le Hope (Coryton)	0.0120	0.0125	0.0121	-0.0004	0.0001	0.8%
Cottam PG	Blyborough (Cottam)	0.0042	0.0043	0.0039	-0.0004	-0.0003	-7.1%
Damhead Creek	Middle Stoke (Damhead Creek, aka Kingsnorth PS)	0.0112	0.0117	0.0113	-0.0004	0.0001	0.9%
Deeside PS	Deeside	0.0227	0.0175	0.0226	0.0051	-0.0001	-0.4%
Didcot A	Didcot A	0.0183	0.0191	0.0162	-0.0029	-0.0021	-11.5%
Didcot PS	Didcot B	0.0183	0.0192	0.0162	-0.0030	-0.0021	-11.5%
Goole Glass	Goole (Guardian Glass)	0.0029	0.0030	0.0025	-0.0005	-0.0004	-13.8%
Grain Gas	Grain Power Station	0.0112	0.0117	0.0113	-0.0004	0.0001	0.9%
Great Yarmouth	Bacton (Great Yarmouth)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Hays Chemicals	Hollingsgreen (Hays Chemicals)	0.0211	0.0159	0.0210	0.0051	-0.0001	-0.5%
ICI Runcorn	Weston Point (Castner Kelner, aka ICI Runcorn)	0.0245	0.0194	0.0245	0.0051	0.0000	0.0%
Immingham PG	Thornton Curtis (Humber Refinery, aka Immingham)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Keadby PS	Eastoft (Keadby and Keadby Blackstart)	0.0040	0.0041	0.0037	-0.0004	-0.0003	-7.5%
Kemira Ince CHP	Shellstar (aka Kemira, not Kemira CHP)	0.0241	0.0190	0.0241	0.0051	0.0000	0.0%
Kings Lynn PS	Saddle Bow (Kings Lynn)	0.0045	0.0047	0.0042	-0.0005	-0.0003	-6.7%
Langage PG	Langage Power Station	0.0362	0.0379	0.0375	-0.0004	0.0013	3.6%
Little Barford PS	St. Neots (Little Barford)	0.0110	0.0115	0.0081	-0.0034	-0.0029	-26.4%
Longannet	Gowkhall (Longannet)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Marchwood	Marchwood Power Station	0.0238	0.0249	0.0245	-0.0004	0.0007	2.9%
Medway PS	Medway (aka Isle of Grain PS, NOT Grain Power)	0.0111	0.0116	0.0112	-0.0004	0.0001	0.9%
Milford Haven Refinery	Upper Neeston (Milford Haven Refinery)	0.0001	0.0121	0.0001	-0.0120	0.0000	0.0%
Pembroke PS	Pembroke Power Station	0.0001	0.0126	0.0001	-0.0125	0.0000	0.0%
Peterborough PS	Peterborough (Peterborough Power Station)	0.0065	0.0068	0.0063	-0.0005	-0.0002	-3.1%
Peterhead PG	St. Fergus (Peterhead)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Phillips Seal Sands	Phillips Petroleum, Teeside	0.0054	0.0001	0.0052	0.0051	-0.0002	-3.7%
Rocksavage PG	Weston Point (Rocksavage)	0.0245	0.0194	0.0245	0.0051	0.0000	0.0%
Roosecote PS	Roosecote (Roosecote PS)	0.0073	0.0014	0.0065	0.0051	-0.0008	-11.0%
Rye House PS	Ryehouse	0.0136	0.0132	0.0128	-0.0004	-0.0008	-5.9%
Saltend	Rosehill (Saltend PS)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Sappi Paper Mill	Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)	0.0156	0.0101	0.0152	0.0051	-0.0004	-2.6%
Seabank Power	Abson (Seabank Power Station phase I)	0.0224	0.0235	0.0231	-0.0004	0.0007	3.1%
Seabank Power II	Seabank (Seabank Power Station phase II)	0.0242	0.0253	0.0249	-0.0004	0.0007	2.9%
Sellafield PS	Sellafield Power Station	0.0114	0.0057	0.0107	0.0050	-0.0007	-6.1%
Shotton Paper	Harwarden (Shotton, aka Shotton Paper)	0.0224	0.0172	0.0223	0.0051	-0.0001	-0.4%
Spalding PG	Wragg Marsh (Spalding)	0.0056	0.0058	0.0054	-0.0004	-0.0002	-3.6%

Pence per peak day kWh per day

	Site Name as NTS Licence Special Condition C8E	Current	Previous Indicative	Revised Indicative	Change on Previous Indicative	Change on Current	% Change on current
St. Fergus Site	St. Fergus (Black Start)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Stallingborough PS	Stallingborough (phase 1 and 2)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Staythorpe	Staythorpe PH1 and PH2	0.0071	0.0074	0.0014	-0.0060	-0.0057	-80.3%
Sutton Bridge PS	Sutton Bridge Power Station	0.0058	0.0061	0.0057	-0.0004	-0.0001	-1.7%
Teesside BASF	Teesside (BASF, aka BASF Teesside)	0.0054	0.0001	0.0052	0.0051	-0.0002	-3.7%
Teesside Hydrogen	Teesside Hydrogen	0.0054	0.0001	0.0052	0.0051	-0.0002	-3.7%
Teesside PS	Enron Billingham	0.0061	0.0001	0.0059	0.0058	-0.0002	-3.3%
Thornton Curtis PG	Thornton Curtis (Killingholme)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
West Burton PS	West Burton Power Station	-	-	0.0040	-	-	-
Zeneca	Zeneca (ICI Avecia, aka 'Zenica')	0.0060	0.0001	0.0059	0.0058	-0.0001	-1.7%

Pence per peak day kWh per day

Interconnectors	Site Name as NTS Licence Special Condition C8E	Current	Previous Indicative	Revised Indicative	Change on Previous Indicative	Change on Current	% Change on current
Bacton Interconnector	Bacton (IUK)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Moffat	Moffat (Irish Interconnector)	0.0006	0.0001	0.0001	0.0000	-0.0005	-83.3%

Storage Sites							
		Current	Previous Indicative	Revised Indicative	Change on Previous Indicative	Change on Current	% Change on current
Avonmouth LNG	Avonmouth Max Refill	0.0242	0.0253	0.0249	-0.0004	0.0007	2.9%
Barton Stacey	Barton Stacey Max Refill (Humbly Grove)	0.0221	0.0231	0.0227	-0.0004	0.0006	2.7%
Caythorpe	Caythorpe	0.0008	0.0008	0.0003	-0.0005	-0.0005	-62.5%
Cheshire (MRS)		0.0207	0.0154	0.0205	0.0051	-0.0002	-1.0%
Dynevour Arms LNG	Dynevour Max Refill	0.0085	0.0230	0.0085	-0.0145	0.0000	0.0%
Garton (MRS)	Garton Max Refill (Aldbrough)	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Glenmavis	Glenmavis Max Refill	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Hatfield Moor (MRS)	Hatfield Moor Max Refill	0.0036	0.0037	0.0030	-0.0007	-0.0006	-16.7%
Holehouse Farm (MRS)	Hole House Max Refill	0.0214	0.0162	0.0213	0.0051	-0.0001	-0.5%
Hornsea (MRS)	Hornsea Max Refill	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%
Partington	Partington Max Refill	0.0194	0.0141	0.0192	0.0051	-0.0002	-1.0%
Rough	Rough Max Refill	0.0001	0.0001	0.0001	0.0000	0.0000	0.0%

Note: Site/Offtake names, as given in the Licence, have been added to the table for reference and clarification.