

Modification 0449: Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures

Draft 1

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION A – SYSTEM CLASSIFICATION

1.8 Interconnection Point

1.8.1 An "Interconnection Point" is:

- (a) an Aggregate System Entry Point at which gas is delivered to the Total System through an interconnector connecting the Total System to the national gas transmission system of another EU member state;
- (b) an NTS Exit Point at which gas is offtaken from the Total System through an interconnector connecting the Total System to the national gas transmission system of another EU member state

and [which is designated as such by the Authority] [which is specified as such in a surrender invitation].

SECTION B – SYSTEM USE AND CAPACITY

2.1.15 Certain provisions of this Section B2 applying in respect of Quarterly NTS Entry Capacity and Monthly NTS Entry Capacity at an Interconnection Point are subject to the terms of Annex B-3.

3.1.11 Certain provisions of this Section B3 applying in respect of Enduring Annual NTS Exit (Flat) Capacity and Annual NTS Exit (Flat) Capacity at an Interconnection Point are subject to the terms of Annex B-3.

ANNEX B-3 - [SYSTEM CAPACITY SURRENDER PROCESS AT INTERCONNECTION POINTS]

1 Introduction

1.1 This Annex B-3 contains provisions, applying in respect of different classes of System Capacity held by Users at an Interconnection Point, in respect of:

- (a) invitations to Users to make surrender offers;
- (b) information to be specified by a User when making a surrender offer;
- (c) the surrender by a User of relevant System Capacity included in a surrender offer following an annual release process; and
- (d) adjusting a User's Registered and/or Available relevant System Capacity following the surrender of relevant System Capacity.

- 1.2 Annex B-3 also contains provisions in respect of the information to be published by National Grid NTS in relation to an Interconnection Point.
- 1.3 The provisions of this Annex B-3 apply in relation to each annual release process and in relation to each case in which (and occasion on which) National Grid NTS:
- (a) notifies Users they are entitled to make surrender offers;
 - (b) invites Users to make surrender offers.
- 1.4 [References in this Annex B-3 to allocation of System Capacity are to the allocation of the relevant System Capacity in accordance with the relevant provisions of Sections B2 and B3.]
- 1.5 For the purposes of this Annex B-3:
- (a) "**allocation process**" means the process for allocation of relevant System Capacity in accordance with Section B2.6, 2.7, 3.2 and 3.4;
 - (b) "**annual capacity invitation**" is an invitation in accordance with Section B2.2.2(a) for Monthly NTS Entry Capacity and Section B2.2.2(b) for Quarterly NTS System Entry Capacity;
 - (c) "**annual capacity notification**" is an ending annual capacity notification under Section B3.1.10 and a annual capacity notification under Section B3.4;
 - (d) "**annual release process**" means the release of:
 - (i) NTS Entry Capacity following an annual capacity invitation;
 - (ii) NTS Exit (Flat) Capacity following an annual capacity notification;
 - (e) "**capacity application**" is an application for NTS Exit (Flat) Capacity and "**capacity bid**" is a bid for NTS Entry Capacity;
 - (f) "**capacity period**" is, in relation to a annual release process, the period in respect of which Users may submit capacity bids or make capacity applications for relevant System Capacity;
 - (g) "**excess requirement**" means an excess QSEC requirement, an excess AMSEC requirement, an excess ESEC requirement or (as the case may be) an excess ASEC requirement;
 - (h) "**minimum surrender amount**" is 100,000 kWh/day;
 - (i) "**relevant System Capacity**" is:
 - (i) Quarterly NTS Entry Capacity;
 - (ii) Monthly NTS Entry Capacity;
 - (iii) Ending Annual NTS Exit (Flat) Capacity;
 - (iv) Annual NTS Exit (Flat) Capacity;

- (j) "Surrendered Capacity" is, in relation to a relevant quarter, relevant month or relevant year and relevant System Capacity, the aggregate amount of relevant System Capacity in respect of which Users have submitted surrender offers (which have not been rejected under paragraph 3.5) in response to a surrender invitation;
- (k) "surrender invitation" is an invitation made in advance of an annual release process informing Users they may make surrender offers for relevant System Capacity;
- (l) a "surrender offer" is an offer to surrender relevant System Capacity;
- (m) "surrender period" is the period in respect of which a surrender offer is made (comprising one or more periods in respect of which relevant System Capacity is allocated in accordance with Section B2 and B3);
- (n) "surrender price" is the price (in pence per kWh/Day) determined in accordance with paragraph 8.4;
- (o) "surrender window" is the period of not less than five (5) consecutive Business Days specified in a surrender invitation during which Users may submit surrender offers.

1.6 A User agrees, by submitting a surrender offer, to surrender relevant System Capacity in accordance with this Annex B-3 in exchange for the surrender price for the relevant System Capacity.

2 Surrender invitations

2.1 Not less than fifteen (15) Days before:

- (a) the date on which National Grid NTS issues an annual capacity invitation;
- (b) the date from which a User may first submit an application for NTS Exit (Flat) Capacity in a calendar year,

National Grid NTS shall issue a surrender invitation to Users in respect of each Interconnection Point.

2.2 Where National Grid NTS is required to issue a surrender invitation, the surrender invitation shall specify:

- (a) the Interconnection Point in respect of which the surrender invitation is made;
- (b) the relevant System Capacity which Users are being invited to submit surrender offers;
- (c) the dates comprising the surrender window; and
- (d) the means by which Users may submit surrender offers.

3 Surrender offers

3.1 When submitting a surrender offer a User shall specify:

- (a) the identity of the User;

- (b) the Interconnection Point;
- (c) the class of relevant System Capacity subject to the surrender offer;
- (d) the amount (being not less than the minimum surrender amount) of relevant System Capacity subject to the surrender offer;
- (e) the minimum amount (being not less than the minimum surrender amount) which the User is willing to surrender;
- (f) where the surrender offer is for:
 - (i) NTS Entry Capacity, the surrender period(s) which is subject to the surrender offer, which such periods need not be consecutive;
 - (ii) Enduring Annual NTS Exit (Flat) Capacity, the calendar month with effect from which the surrender offer is made;
 - (iii) Annual NTS Exit (Flat) Capacity, the Gas Year with effect from which the surrender offer is made;
- (g) the User's confirmation that it will continue to have Available relevant System Capacity in an amount equal to the amount subject to the surrender offer until completion of the allocation process for the relevant System Capacity.

3.2 A User may submit a surrender offer in response to a surrender invitation at any time between 08:00 hours and 17:00 hours on any Day during the surrender window.

3.3 In relation to a surrender invitation a User may have at any one time:

- (a) in respect NTS Entry Capacity, no more than one (1) surrender offer for a surrender period.
- (b) in respect of NTS Exit Capacity, no more than one surrender offer,

which is capable of being [accepted] by National Grid NTS.

3.4 A User may withdraw or modify a surrender offer at any time up to but not after 17:00 hours on the last Day in the surrender window.

3.5 National Grid NTS may reject any surrender offer:

- (a) where any of the applicable requirements in paragraph 3.1, 3.2 and 3.3 is not complied with;
- (b) where the amount of relevant System Capacity the subject of a surrender offer exceeds the User's Available relevant System Capacity during any surrender period in respect of which the surrender offer is made.

3.6 For the purposes of paragraphs 4.3(d)(i), 5.3(e)(i), 6.3(d)(i) and 7.3(d)(i), where the amount in respect of which a surrender offer is [accepted] would be less than the minimum surrender amount or such other amount specified in the surrender offer:

- (a) without prejudice to paragraph (b), such surrender offer shall be disregarded (and have no effect) and a revised allocation shall be made between the other surrender offers;
- (b) where notwithstanding paragraph (a) there remains an excess requirement which could be satisfied (in whole or in part) by surrender offers, National Grid NTS will [accept] a surrender offer previously disregarded under paragraph (a) for the full amount of relevant System Capacity in respect of which the surrender offer was made in the sequence in which such surrender offers were received by National Grid NTS until the excess requirement is satisfied or no further surrender offers remain (or which are capable of [acceptance]);
- (c) where for the purposes of paragraph (b) the remaining excess requirement ~~exceeds~~ is equal to or less than the amount of a surrender offer, then subject to paragraph (a), National Grid NTS will [accept] the surrender offer for the remaining excess requirement.

4 Quarterly NTS Entry Capacity

4.1 National Grid NTS's annual invitation for Quarterly NTS Entry Capacity issued in accordance with Section B2.2.3 shall specify in respect of each Interconnection Point and for each calendar quarter in Capacity Year + 2 to Capacity Year + 16 the aggregate amount (if any) of Quarterly NTS Entry Capacity the subject of surrender offers.

4.2 Where:

- (a) following an annual invitation for Quarterly NTS Entry Capacity and in relation to an Interconnection Point and a calendar quarter ("**relevant quarter**"), National Grid NTS has received capacity bids for an aggregate amount of Quarterly NTS Entry Capacity which exceeds the Unsold NTS Entry Capacity (such excess amount the "**excess QSEC requirement**") specified in the annual capacity invitation for the relevant quarter; and
- (b) Users have submitted surrender offers for the relevant quarter,
paragraph 4.3 shall apply in respect of the relevant quarter.

4.3 Where this paragraph 4.3 applies in relation to a relevant quarter:

- (a) for the purposes of an allocation of Quarterly NTS Entry Capacity in accordance with Section B2.6, National Grid NTS will in addition to allocating the Unsold NTS Entry Capacity allocate an additional amount of Quarterly NTS Entry Capacity equal to the lesser of:
 - (i) the excess QSEC requirement; and
 - (ii) the Surrendered Capacity;
- (b) National Grid NTS shall [accept] each surrender offer submitted by Users in respect of the relevant quarter;

- (c) National Grid NTS shall [accept] a surrender offer submitted by a User for an amount of Quarterly NTS System Entry Capacity determined in accordance with paragraph (d);
- (d) the amount of the amount of NTS Quarterly Entry Capacity surrendered by the User for the purposes of paragraph (c) shall be, where the Surrendered Capacity is:
- (i) equal to or exceeds the excess QSEC requirement, subject to paragraph 3.6 pro rata the amounts applied for in each surrender offer submitted by a User;
 - (ii) less than the excess QSEC requirement, the amount specified in the surrender offer submitted by the User,
- (the "QSEC surrender amount");
- (e) National Grid NTS and the User shall be [deemed] to have entered in a Forward Agreement on terms set out in paragraph 8.1 in respect the surrender offer [accepted] for the QSEC surrender amount.

4.4 Following the application of paragraph 4.3 in relation to an Interconnection Point for a relevant quarter:

- (a) in the case of a User allocated Quarterly NTS Entry Capacity under paragraph 4.3(a), the User's Registered Firm NTS Entry Capacity at the Interconnection Point for the relevant quarter shall be increased by the amount of Quarterly NTS Entry Capacity allocated;
- (b) in the case of a User who submitted a surrender offer which National Grid NTS [accepted] in accordance with paragraph 4.3(b), the User's Available Firm NTS Entry Capacity at the Interconnection Point for the relevant quarter shall be reduced by an amount equal to the QSEC surrender amount.

4.5 For the purposes of Section B2.13, and in relation to a Day:

- (a) the Capacity Charges in respect of Quarterly NTS Entry Capacity allocated in accordance with paragraph 4.3(a) shall comprise Relevant Capacity Revenues;
- (b) the surrender price payable by National Grid NTS to User pursuant to a [deemed] Forward Agreement entered into pursuant to paragraph 4.3(e) shall comprise Relevant Capacity Costs.

4.6 Nothing in this paragraph 4 shall prevent National Grid NTS from offering additional Quarterly NTS Entry Capacity for a relevant quarter [(in accordance with Section B2.6.5(a))provided National Grid NTS shall only do so following its allocation of additional Quarterly NTS Entry Capacity in accordance with paragraph 4.3(a).

5 Monthly NTS Entry Capacity

5.1 National Grid NTS's annual invitation for Monthly NTS Entry Capacity issued in accordance with Section B2.2.3 shall specify in respect of each Interconnection Point and for each calendar month from April to September in Capacity Year Y and for each calendar month in Capacity Year Y+ 1 the aggregate amount (if any) of Monthly NTS Entry Capacity the subject of surrender offers.

5.2 Where:

(a) following an annual invitation for Monthly NTS Entry Capacity and in relation to an Interconnection Point and a calendar month ("**relevant month**"), National Grid NTS has received capacity bids submitted on the fourth invitation date ("**unsatisfied AMSEC bids**") for an aggregate amount of Monthly NTS Entry Capacity which exceeds the amount of Unsold NTS Entry Capacity (such excess amount the "**excess AMSEC requirement**") specified in the annual capacity invitation for the calendar month; and

(b) Users have submitted surrender offers for the relevant month,

paragraph 5.3 shall apply in respect of the relevant month.

5.3 Where this paragraph 5.3 applies in respect of a relevant month:

(a) National Grid NTS will in addition to allocating the Unsold NTS Entry Capacity pursuant to Section B2.7 allocate in accordance with paragraph (b) an additional amount of Monthly NTS Entry Capacity equal to:

(i) the lesser of:

(aa) the excess AMSEC requirement; and

(bb) the Surrendered Capacity;

plus,

(ii) such additional amount (if any) of Monthly NTS Entry Capacity as National Grid NTS may in its sole discretion determine,

(the "**additional AMSEC amount**")

(b) National Grid NTS will allocate additional Monthly NTS Entry Capacity up to an amount equal to the additional AMSEC amount as follows:

(i) all unsatisfied AMSEC bids (excluding any rejected bids in accordance with Section B2.2.11) will be ranked in order of price (highest ranked first) (for which purposes National Grid NTS shall include all partially unsatisfied AMSEC bids);

- (ii) Monthly NTS Entry Capacity will be allocated to unsatisfied AMSEC bids with the highest bid price first until such time as all the unsatisfied AMSEC bids have been satisfied or the amount of Monthly NTS Entry Capacity allocated is equal to the Surrendered Capacity;
- (iii) subject to paragraphs (iv), (v) and (vi), where Monthly NTS Entry Capacity applied for under an unsatisfied AMSEC bid exceeds the amount ("**remaining unallocated amount**") of the Surrendered Capacity remaining unallocated after allocation of higher priced bids the User will be allocated the remaining unallocated amount;
- (iv) subject to paragraphs (v) and (vi), where two or more unsatisfied AMSEC bids ("**equal priced capacity bids**") specify the same bid price, and the amount of Monthly NTS Entry Capacity applied for under the equal priced bids in aggregate exceeds the remaining unallocated amount, the remaining unallocated amount shall be allocated pro rata the amounts applied for in each equal priced bid;
- (v) where the amount to be allocated to an unsatisfied AMSEC bid pursuant to paragraph (iii) or (iv) would be less than the minimum amount specified in the unsatisfied AMSEC bid, the unsatisfied capacity bid will be disregarded for the purposes of paragraph (iii), and an allocation will be made between other unsatisfied AMSEC bids with the same bid price in accordance with paragraph (iv) or (as the case may be) an allocation made in respect of the next ranked unsatisfied capacity bid;
- (vi) where the amount to be allocated in respect of any unsatisfied AMSEC bid would be less than the minimum surrender amount, no allocation will be made, and no further allocation will be made for the purposes of this paragraph 5.3(b);
- (c) National Grid NTS shall [accept] each surrender offer submitted by Users in respect of the relevant month;
- (d) National Grid NTS shall [accept] a surrender offer submitted by a User for an amount of Monthly NTS System Entry Capacity determined in accordance with paragraph (e);
- (e) the amount of Monthly NTS System Entry Capacity surrendered by the User for the purposes of paragraph (d) shall be, where the Surrendered Capacity is:
- (i) equal to or exceeds the excess AMSEC requirement, subject to paragraph 3.6 pro rata the amounts applied for in each surrender offer submitted by a User;
- (ii) less than the excess AMSEC requirement, the amount specified in the surrender offer submitted by the User,
- (the "**AMSEC surrender amount**");
- (f) National Grid NTS and the User shall be [deemed] to have entered in a Forward Agreement on terms set out in paragraph 8.1 in respect of the surrender offer [accepted] for the AMSEC surrender amount.

5.4 Following the application of paragraph 5.3 in relation to an Interconnection Point for a relevant month:

- (a) in the case of a User allocated Monthly NTS Entry Capacity under paragraph 5.3(b), the User's Registered NTS Entry Capacity at the Interconnection Point for the relevant quarter-month shall be increased by the amount of Monthly NTS Entry Capacity allocated;
- (b) in the case of a User who submitted a surrender offer which National Grid NTS [accepted] in accordance with paragraph 5.3(c), the User's Available Firm NTS Entry Capacity at the Interconnection Point for the relevant quarter-month shall be reduced by an amount equal to the AMSEC surrender amount.

5.5 For the purposes of Section B2.13, and in relation to a Day:

- (a) the Capacity Charges in respect of Monthly NTS Entry Capacity allocated in accordance with paragraph 5.3(b) shall comprise Relevant Capacity Revenues;
- (b) the surrender price payable by National Grid NTS to User pursuant to a [deemed] Forward Agreement entered into in pursuant to paragraph 5.3(f) shall comprise Relevant Capacity Costs.

6 Enduring Annual NTS Exit (Flat) Capacity¹

6.1 National Grid NTS's enduring annual capacity notification in respect of Enduring Annual NTS Exit (Flat) Capacity issued in accordance with Section B3.1.10 shall specify in respect of each calendar month in a Gas Year commencing Gas Year Y + 4 the aggregate amount (if any) of Enduring Annual NTS Exit (Flat) Capacity the subject of surrender offers to take effect from such calendar month.

6.2 Where:

- (a) following an enduring annual capacity notification for Enduring Annual NTS Exit (Flat) Capacity and in relation to an Interconnection Point and a calendar month ("**relevant month**", National Grid NTS has received applications for an aggregate amount of Enduring Annual NTS Exit (Flat) Capacity which exceeds the [Remaining Available Baseline NTS Exit (Flat) Capacity] for any Day in the relevant month or any later calendar month (such excess amount the "**excess ESEC requirement**") ; and
- (b) User have submitted surrender offers to take effect from the relevant month,
paragraph 6.3 shall apply in respect of the relevant month.

6.3 Where this paragraph 6.3 applies in relation to a relevant month:

- (a) for the purposes of an allocation of Enduring Annual NTS Exit (Flat) Capacity in accordance with Section B3.2, National Grid shall in addition to allocating the [Remaining Available Baseline NTS Exit (Flat) Capacity] allocate an additional quantity of Enduring Annual NTS Exit (Flat) Capacity equal to the lesser of:
 - (i) the excess ESEC requirement;

¹ Drafting reflects Modification 0376S.

- (ii) the Surrendered Capacity.
- (b) National Grid NTS shall [accept] each surrender offer submitted by Users to take effect from the relevant month;
- (c) National Grid NTS shall [accept] a surrender offer submitted by a User for an amount of Enduring Annual NTS Exit (Flat) Capacity determined in accordance with paragraph (d);
- (d) the amount of Enduring Annual NTS Exit (Flat) Capacity surrendered by the User for the purposes of paragraph (c) shall be, where the Surrendered Capacity is:
 - (i) equal to or exceeds the excess ESEC requirement, subject to paragraph 3.6 pro rata the amounts applied for in each surrender offer submitted by a User;
 - (ii) less than the excess ESEC requirement, the amount specified in the surrender offer submitted by the User,

(the "ESEC surrender amount");

6.4 Following the application of paragraph 6.3 in relation to an Interconnection Point:

- (a) in the case of a User allocated Enduring Annual NTS Exit (Flat) Capacity under paragraph 6.3(a), the User's Registered NTS Exit (Flat) Capacity for the relevant period shall be increased by the amount of Enduring Annual NTS Exit (Flat) Capacity allocated;
- (b) in the case of a User who submitted a surrender offer which National Grid NTS [accepted] in accordance with paragraph 6.3(b), the User's Registered Enduring Annual NTS Exit (Flat) Capacity for the relevant period shall be reduced by an amount equal to the ESEC surrender amount.

6.5 Following the application of paragraph 6.1 National Grid NTS shall, not later than five (5) Business Days after 30 September in the relevant year, notify a User of:

- (a) the Interconnection Point in respect of which the notification is made;
- (b) the calendar month with effect from which the User's Registered Enduring Annual NTS Exit (Flat) Capacity at the Interconnection Point is reduced;
- (c) with effect from the calendar month referred to in paragraph (a) the User's Registered Enduring Annual NTS Exit (Flat) Capacity at the Interconnection Point.

7 Annual NTS Exit (Flat) Capacity

7.1 National Grid NTS's annual capacity notification in respect of Annual NTS Exit (Flat) Capacity issued in accordance with Section B3.4.1 shall specify in respect of Gas Year Y + 1 the aggregate amount (if any) of Annual NTS Exit (Flat) Capacity the subject of surrender offers.

7.2 Where:

- (a) following an annual invitation for Annual NTS Exit (Flat) Capacity and in relation to an Interconnection Point and a Gas Year ("relevant year"), National Grid NTS has received applications for an aggregate amount of Annual NTS Exit (Flat) Capacity

which exceeds the Remaining Available Baseline NTS Exit (Flat) Capacity (such excess amount the "excess ASEC requirement") for the relevant year; and

(b) Users have submitted surrender offers for the relevant year,

paragraph 7.3 shall apply in respect of the relevant year.

7.3 Where this paragraph 7.3 applies in relation to a relevant year:

(a) for the purposes of an allocation of Annual NTS Exit (Flat) Capacity in accordance with Section B3.6, National Grid NTS will in addition to allocating the Remaining Available NTS Exit (Flat) Capacity allocate an additional amount of Annual NTS Exit (Flat) Capacity equal to the lesser of:

(i) the excess ASEC requirement; and

(ii) the Surrendered Capacity;

(b) National Grid NTS shall [accept] each surrender offer submitted by Users in respect of the relevant year;

(c) National Grid NTS shall [accept] a surrender offer submitted by a User for an amount of Annual NTS Exit (Flat) Capacity determined in accordance with paragraph (d);

(d) the amount of Annual NTS Exit (Flat) Capacity surrendered for the purposes of paragraph (c) shall be, where the Surrendered Capacity is:

(i) equal to or exceeds the excess ASEC requirement, subject to paragraph 3.6 pro rata the amounts applied for in each surrender offer submitted by a User;

(ii) less than the excess ASEC requirement, the amount specified in the surrender offer submitted by the User,

(the "-ASEC surrender amount");

(e) National Grid NTS and the User shall be [deemed] to have entered in a Forward Agreement on terms set out in paragraph 8.1 in respect of the surrender offer [accepted] for the ASEC surrender amount.

7.4 Following the application of paragraph 7.3 in relation to an Interconnection Point for a relevant year:

(a) in the case of a User allocated Annual NTS Exit (Flat) Capacity under paragraph 7.3(a), the User's Registered Annual NTS Exit (Flat) Capacity at the Interconnection Point for the relevant year shall be increased by the amount of Annual NTS Exit (Flat) Capacity allocated;

(b) in the case of a User who submitted a surrender offer [accepted] in accordance with paragraph 7.3(c), the User's Available Annual NTS Exit (Flat) Capacity at the Interconnection Point for the relevant year shall be reduced by an amount equal to the ASEC surrender amount.

7.5 Nothing in this paragraph 7 shall prevent National Grid NTS from offering additional Annual NTS Exit (Flat) Capacity for a relevant year by way of additional NTS Exit (Flat) Capacity [(in

accordance with Section B3.4.2(c)), provided National Grid NTS shall only do so following its allocation of additional Annual NTS Exit (Flat) Capacity in accordance with paragraph 7.3(a).

8 [Deemed] Forward Agreement and surrender price

8.1 In respect of a Forward Agreement [deemed] entered into pursuant to paragraph [4.3(e), 5.3(f) or 7.3(f)]:

- (a) the parties shall be National Grid NTS and the User submitting the surrender offer which was [accepted] by National Grid NTS;
- (b) the period in respect of which the User agrees to surrender capacity shall be the relevant quarter(s), month(s) or year(s) specified in the User's surrender offer;
- (c) the relevant System Capacity surrendered shall be the QSEC surrender amount, the AMSEC surrender amount or (as the case may be) the ASEC surrender amount); and
- (d) the amount payable to the User shall be the surrender price.

8.2 A [deemed] Forward Agreement under paragraph 4.3(e) or 5.3(f) may cover more than one calendar quarter or calendar month.

8.3 Where National Grid NTS and a User are deemed to have entered into a Forward Agreement under paragraph [4.3(e), 5.3(f) or (as the case may be) 7.3(e)], National Grid NTS shall within five (5) Business Days of the date on which National Grid NTS completes an allocation of Surrendered Capacity under paragraph [4.3(a), 5.3(a) or (as the case may be) 7.3(a)], notify the User of the details specified in paragraph 8.1 for the relevant quarter, relevant month or relevant year covered by the Forward Agreement.

8.4 The "surrender price" for the purposes of a Forward Agreement [deemed] entered in to under this Annex B-3 shall be, where such agreement relates to the surrender of:

- (a) Quarterly NTS System Entry Capacity, the step price corresponding to the relevant step price group for [the relevant quarter];
- (b) Monthly NTS System Entry Capacity, the weighted average price in respect of capacity bids for which Monthly NTS Entry Capacity was allocated in accordance with paragraph 5.3(b), calculated as:

$$\frac{\sum_{i=1}^n Q_i * P_i}{\sum_{i=1}^n Q_i}$$

where:

n is the number of capacity bids in respect of which Monthly NTS System Entry was allocated under paragraph 5.3(b);

Q is the amount of respect of which Monthly NTS System Entry was allocated under paragraph 5.3(b);

p is the bid price of each capacity bid allocated Monthly NTS Entry Capacity;

(c) Annual NTS Exit (Flat) Capacity, the price payable in respect of Annual NTS Exit (Flat) Capacity at the Interconnection Point for the relevant Gas Year as set out in National Grid NTS's prevailing Transportation Statement,

provided no surrender price shall be payable in respect of the surrender of Enduring Annual NTS Exit (Flat) Capacity under this Annex B-3.

8.5 The surrender price shall be invoiced and payable in accordance with Section S.

9 Information

9.1 In respect of each Interconnection Point and in respect of each calendar [quarter] [month] National Grid NTS will by not later than [[] hours on] the fifth (5th) Business Day following the end of the calendar [quarter] [month] notify Users of the information specified in paragraph 9.2.

9.2 Subject to paragraph 9.3, information to be notified to Users in accordance with paragraph 9.1 shall include:

(a) in respect of applications made for Enduring Annual NTS Exit (Flat) Capacity and Annual NTS Exit (Flat) Capacity in the calendar [quarter] [month] which were unsuccessful:

- (i) the aggregate amount of NTS Exit (Flat) Capacity applied for;
- (ii) for each Gas Year for which applications were unsuccessful, the aggregate amount of NTS Exit (Flat) Capacity applied for;
- (iii) of the aggregate amount of Enduring Annual NTS Exit (Flat) Capacity and Annual NTS Exit (Flat) Capacity allocated in respect of applications made during the calendar [quarter] [month];
- (iv) the aggregate amount of NTS Exit (Flat) Capacity and Annual NTS Exit (Flat) Capacity in respect of which Users submitted surrender offers in the calendar [quarter] [month];
- (v) the aggregate amount of additional NTS Exit (Flat) Capacity which was allocated pursuant to paragraphs [] in the calendar [quarter] [month];

(b) in respect of each allocation of Quarterly NTS Entry Capacity and Monthly NTS Entry Capacity undertaken during the calendar [quarter] [month]:

- (i) the reserve price;
- (ii) in respect of an allocation of Quarterly NTS Entry Capacity, [the Reserve Price Bid Amount];
- (iii) in respect of an allocation of Monthly NTS Entry Capacity, the highest bid price in respect of National Grid NTS allocated Monthly NTS Entry Capacity.

9.3 National Grid NTS shall not be required to publish information in accordance with paragraph 9.1 where no allocation of Enduring Annual NTS Exit (Flat) Capacity, Annual NTS Exit (Flat)

Capacity, Quarterly NTS System Entry Capacity or Monthly NTS Entry Capacity was undertaken during the calendar [quarter] [month].

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