

Notice of QSEC 2009 Step Prices and MSEC Entry Capacity Reserve Prices

(Issued 14 July 2009)

National Grid is publishing this notice of revised transmission charges two months in advance of the next auction of Quarterly System Entry Capacity (QSEC), consistent with our Licence and Uniform Network Code obligations.

Below is an update of the NTS Gas Transportation Charges Statement 1 April 2009. Appendix D, which details the reserve and step prices for use in the QSEC auction, has been updated and therefore replaces any previous versions.

Table 2 in the NTS Gas Transportation Charges Statement has also been updated. This change reflects the revised entry capacity reserve prices. It should be noted that the system entry capacity (RMTNTSEC), purchased during September 2009 for use from 1 October 2009, will be subject to the appropriate revised reserve prices. Please note also that the capacity auctioned during the AMSEC auctions will also be subject to the appropriate reserve prices as shown in Table 2 below.

National Grid has also published its proposed revised Incremental Entry Capacity Release (IECR) Methodology Statement which can be found on our web site at <http://www.nationalgrid.com/uk/Gas/Charges/statements/>

For all entry points an **Estimated Project Cost** (£m) has been calculated for each incremental capacity level and this information has been added to this notice (Appendix E of the NTS Gas Transportation Charges Statement 1 April 2009). The NPV of the revenues from incremental bids is required to be at least 50% of the estimated project cost, in order to trigger the release of incremental obligated entry capacity (as given in paragraphs 36 and 43 of the existing and proposed IECR Methodology Statement).

The full Transportation Charges Statement can be found on our website under Gas Charging/Methodology and Charging Statements.

If you have any questions relating to this notice, or NTS charges in general, please contact the Transmission Charging & Revenue team on 01926 654633.

Table 2 Entry Capacity Reserve Prices for Capacity for use from 1 October 2009

Entry Point	MSEC Reserve Prices Pence per kWh per day		
	Y	Y+1	Y+2
	from 1 Oct 09 to 30 Sep 10	from 1 Oct 10 to 30 Sep 11	from 1 Oct 11 to 31 Mar 12
Coastal Terminals & LNG Importation			
Bacton	0.0089	0.0087	0.0089
Barrow	0.0044	0.0044	0.0018
Easington&Rough	0.0111	0.0110	0.0112
Isle of Grain	0.0001	0.0029	0.0026
Milford Haven	0.0199	0.0199	0.0204
St Fergus	0.0385	0.0397	0.0383
Teesside	0.0103	0.0106	0.0103
Theddlethorpe	0.0091	0.0102	0.0115
Onshore Fields and Connections			
Burton Point	0.0001	0.0001	0.0001
Hatfield Moor	0.0045	0.0043	0.0045
Hole House Farm	0.0001	0.0001	0.0001
Wytch Farm	0.0001	0.0001	0.0001
Storage			
Barton Stacey	0.0001	0.0001	0.0001
Caythorpe	0.0070	0.0068	0.0104
Cheshire	0.0001	0.0001	0.0001
Fleetwood	0.0001	0.0031	0.0024
Garton	0.0120	0.0114	0.0127
Glenmavis	0.0138	0.0140	0.0120
Hatfield Moor	0.0045	0.0043	0.0045
Hornsea	0.0110	0.0109	0.0108
Partington	0.0001	0.0001	0.0001
Constrained LNG			
Avonmouth	0.0001	0.0001	0.0001
Dynevorn Arms	0.0001	0.0001	0.0001

Table 2 continued

Reserve Prices Pence per kWh per day	
Entry Point	DSEC from 1 Oct 09 to 30 Sep 10
Coastal Terminals & LNG Importation	
Bacton	0.0059
Barrow	0.0029
Easington&Rough	0.0074
Isle of Grain	0.0001
Milford Haven	0.0133
St Fergus	0.0257
Teesside	0.0069
Theddlethorpe	0.0061
Onshore Fields and Connections	
Burton Point	0.0001
Hatfield Moor	0.0030
Hole House Farm	0.0001
Wytch Farm	0.0001
Storage	
Barton Stacey	0.0001
Caythorpe	0.0047
Cheshire	0.0001
Fleetwood	0.0001
Garton	0.0080
Glenmavis	0.0092
Hatfield Moor	0.0030
Hornsea	0.0073
Partington	0.0001
Constrained LNG	
Avonmouth	0.0001
Dynevor Arms	0.0001

Appendix D QSEC Step Prices 2009

Below are the entry capacity reserve prices together with the price steps for each level of incremental capacity for use in the auction of Quarterly System Entry Capacity (QSEC).

Pence/kWh/day

Coastal Terminals & Importation Facilities								
	Bacton	Easington&Rough	Theddlethorpe	St Fergus	Teesside	Barrow	Milford Haven	Isle of Grain
Obligated Level	0.0089	0.0112	0.0115	0.0383	0.0103	0.0018	0.0204	0.0026
2.5%	0.0090	0.0113	0.0116	0.0396	0.0104	0.0019	0.0205	0.0033
5.0%	0.0091	0.0114	0.0117	0.0397	0.0105	0.0042	0.0206	0.0034
7.5%	0.0092	0.0115	0.0118	0.0398	0.0106	0.0043	0.0207	0.0035
10.0%	0.0093	0.0116	0.0119	0.0399	0.0107	0.0044	0.0208	0.0036
12.5%	0.0094	0.0117	0.0120	0.0400	0.0108	0.0045	0.0209	0.0208
15.0%	0.0095	0.0118	0.0121	0.0409	0.0109	0.0046	0.0210	0.0209
17.5%	0.0096	0.0119	0.0122	0.0410	0.0110	0.0047	0.0211	0.0252
20.0%	0.0098	0.0120	0.0123	0.0411	0.0111	0.0048	0.0212	0.0253
22.5%	0.0117	0.0127	0.0124	0.0418	0.0112	0.0049	0.0216	0.0254
25.0%	0.0118	0.0140	0.0125	0.0419	0.0125	0.0050	0.0217	0.0255
27.5%	0.0119	0.0141	0.0126	0.0438	0.0126	0.0051	0.0218	0.0256
30.0%	0.0120	0.0142	0.0127	0.0439	0.0127	0.0052	0.0220	0.0257
32.5%	0.0121	0.0143	0.0128	0.0440	0.0128	0.0053	0.0224	0.0258
35.0%	0.0122	0.0144	0.0129	0.0441	0.0129	0.0054	0.0226	0.0259
37.5%	0.0123	0.0145	0.0130	0.0442	0.0132	0.0055	0.0228	0.0260
40.0%	0.0124	0.0146	0.0131	0.0443	0.0133	0.0056	0.0229	0.0261
42.5%	0.0129	0.0147	0.0132	0.0444	0.0134	0.0057	0.0233	0.0262
45.0%	0.0130	0.0148	0.0133	0.0445	0.0139	0.0058	0.0259	0.0263
47.5%	0.0133	0.0149	0.0134	0.0446	0.0140	0.0059	0.0271	0.0264
50.0%	0.0139	0.0150	0.0135	0.0447	0.0141	0.0060	0.0291	0.0265
Obligated Level (GWh/d)	1783.4	1407.15	610.7	1670.7	476	309.1	950	699.68

Pence/kWh/day

Onshore Fields and Connections							
Hatfield Moor		Wyth Farm		Burton Point		Hole House Farm	
Obligated Level	0.0045	Obligated Level	0.0001	Obligated Level	0.0001	Obligated Level	0.0001
10%	0.0046	10%	0.0002	10%	0.0002	11%	0.0002
20%	0.0047	20%	0.0003	20%	0.0003	23%	0.0003
30%	0.0048	30%	0.0004	30%	0.0008	34%	0.0004
40%	0.0049	40%	0.0005	40%	0.0009	46%	0.0005
50%	0.0050	50%	0.0006	50%	0.0026	57%	0.0014
						68%	0.0015
						80%	0.0016
						91%	0.0017
						103%	0.0018
						114%	0.0019
						125%	0.0020
						137%	0.0021
						148%	0.0022
						160%	0.0023
Obligated Level (GWh/d)	25.3		3.3		73.5		131.6

Appendix D continued

Pence/kWh/day

Storage Sites												
Garton		Cheshire	Fleetwood	Hornsea		Glenmavis		Caythorpe	Partington		Barton Stacey	
Obligated Level				Obligated Level		Obligated Level			Obligated Level		Obligated Level	
	0.0127	0.0001	0.0024		0.0108		0.0120	0.0104		0.0001		0.0001
2.5%	0.0128	0.0002	0.0025	6.44%	0.0109	10.0%	0.0144	0.0105	7.0%	0.0002	8.7%	0.0002
5.0%	0.0129	0.0003	0.0026	12.87%	0.0110	20.0%	0.0149	0.0106	14.0%	0.0003	17.4%	0.0039
7.5%	0.0130	0.0004	0.0040	19.31%	0.0111	30.0%	0.0150	0.0107	20.9%	0.0004	26.1%	0.0040
10.0%	0.0131	0.0005	0.0042	25.74%	0.0112	40.0%	0.0156	0.0108	27.9%	0.0008	34.8%	0.0042
12.5%	0.0132	0.0006	0.0043	32.18%	0.0114	50.0%	0.0157	0.0109	34.9%	0.0017	43.5%	0.0043
15.0%	0.0133	0.0007	0.0047	38.61%	0.0115				41.9%	0.0018	52.1%	0.0044
17.5%	0.0134	0.0008	0.0048	45.05%	0.0116				48.8%	0.0019		
20.0%	0.0135	0.0009	0.0049	51.48%	0.0117				55.8%	0.0020		
22.5%	0.0136	0.0010	0.0050									
25.0%	0.0137	0.0011	0.0051									
27.5%	0.0138	0.0017	0.0052									
30.0%	0.0139	0.0018	0.0053									
32.5%	0.0140	0.0022	0.0054									
35.0%	0.0141	0.0023	0.0055									
37.5%	0.0142	0.0024	0.0056									
40.0%	0.0143	0.0025	0.0057									
42.5%	0.0144	0.0026	0.0082									
45.0%	0.0145	0.0027	0.0083									
47.5%	0.0146	0.0062	0.0084									
50.0%	0.0147	0.0063	0.0085									
Obligated Level (GWh/d)	420	542.7	650		233.1		99	90		215		172.6

Pence/kWh/day

Constrained LNG			
Avonmouth		Dynevor Arms	
Obligated Level		Obligated Level	
	0.0001		0.0001
8.37%	0.0016	10%	0.0002
16.73%	0.0021	20%	0.0003
25.10%	0.0061	30%	0.0004
33.46%	0.0064	40%	0.0005
41.83%	0.0065	50%	0.0006
50.20%	0.0066		
Obligated Level (GWh/d)	179.3		49

Appendix E Estimated Project Costs, £m

£m

	Coastal Terminals & Importation Facilities							
	Bacton	Easington&Rough	Theddlethorpe	St Fergus	Teesside	Barrow	Milford Haven	Isle of Grain
Obligated Level								
2.5%	14.10	14.00	6.24	58.77	4.36	0.49	17.22	2.05
5.0%	28.20	28.00	12.48	117.54	8.71	2.31	34.43	4.10
7.5%	42.30	42.00	18.72	176.76	13.07	3.46	51.65	6.15
10.0%	56.40	56.00	24.96	235.68	17.76	4.61	68.86	8.20
12.5%	70.50	70.00	31.19	294.60	22.20	5.77	86.08	64.64
15.0%	87.45	86.25	37.43	364.21	26.89	6.92	103.30	77.57
17.5%	103.14	101.50	43.67	424.91	31.08	8.27	124.65	109.64
20.0%	124.21	116.00	49.91	486.80	35.86	9.45	142.45	125.31
22.5%	166.82	142.88	56.15	558.34	40.34	10.63	164.06	140.97
25.0%	185.36	175.00	62.39	621.86	52.86	11.81	182.29	156.63
27.5%	203.89	192.50	68.63	715.06	58.61	14.80	200.52	172.29
30.0%	222.43	210.00	74.87	780.07	63.94	16.15	222.80	187.96
32.5%	240.97	227.50	81.11	845.07	69.26	17.49	245.75	203.62
35.0%	259.50	245.01	87.34	910.08	74.59	18.84	267.02	219.28
37.5%	278.04	262.51	93.58	977.31	83.72	20.18	288.62	234.95
40.0%	299.11	280.01	99.82	1042.46	89.31	21.53	309.21	250.61
42.5%	347.43	297.51	111.59	1115.19	94.89	22.87	334.28	266.27
45.0%	367.87	315.01	118.16	1180.79	105.80	24.22	393.44	281.94
47.5%	400.34	332.51	125.75	1246.39	111.67	25.56	434.54	305.87
50.0%	440.42	365.01	132.37	1311.98	117.55	26.91	491.16	321.96
Obligated Level (GWh/d)	1783.4	1407.15	610.7	1670.7	476	309.1	950	699.68

£m

Onshore Fields and Connections							
Hatfield Moor		Wytch Farm		Burton Point		Hole House Farm	
Obligated Level		Obligated Level		Obligated Level		Obligated Level	
10%	0.41	10%	0.001	10%	0.03	11%	0.05
20%	0.81	20%	0.002	20%	0.05	23%	0.11
30%	1.21	30%	0.004	30%	0.63	34%	0.16
40%	1.62	40%	0.005	40%	0.84	46%	0.21
50%	2.25	50%	0.006	50%	3.40	57%	3.73
						68%	4.48
						80%	5.22
						91%	5.97
						103%	6.72
						114%	7.46
						125%	8.21
						137%	10.23
						148%	11.09
						160%	12.69
Obligated Level (GWh/d)	25.3		3.3		73.5		131.6

Appendix E continued

£m

Storage Sites												
Garton		Cheshire	Fleetwood	Hornsea		Glenmavis		Caythorpe	Partington		Barton Stacey	
Obligated Level				Obligated Level		Obligated Level			Obligated Level		Obligated Level	
2.5%	4.74	0.05	1.39	6.4%	5.76	10.0%	5.07	3.33	7.0%	0.05	8.7%	0.05
5.0%	9.48	0.10	2.77	12.9%	11.62	20.0%	10.48	6.65	14.0%	0.11	17.4%	4.16
7.5%	14.22	0.15	6.93	19.3%	17.43	30.0%	15.73	9.98	20.9%	0.16	26.1%	6.24
10.0%	18.95	0.19	9.70	25.7%	23.67	40.0%	21.95	13.30	27.9%	1.71	34.8%	8.95
12.5%	23.69	0.24	12.13	32.2%	30.38	50.0%	27.44	16.63	34.9%	4.53	43.5%	11.19
15.0%	28.43	0.29	16.28	38.6%	36.46				41.9%	5.44	52.1%	13.43
17.5%	33.17	0.34	19.00	45.0%	42.53				48.8%	7.09		
20.0%	37.91	0.39	21.71	51.5%	49.04				55.8%	8.10		
22.5%	42.65	0.43	24.95									
25.0%	47.38	0.48	27.72									
27.5%	52.12	9.02	30.49									
30.0%	56.86	9.84	33.26									
32.5%	61.60	13.79	36.03									
35.0%	66.34	14.85	38.80									
37.5%	71.08	15.91	41.57									
40.0%	75.81	17.74	44.35									
42.5%	80.55	18.85	80.49									
45.0%	85.29	19.96	85.23									
47.5%	90.03	56.79	89.96									
50.0%	94.77	59.78	94.70									
Obligated Level (GWh/d)	420	542.7	650		233.1		99.0	90		215		172.6

£m

Constrained LNG			
Avonmouth		Dynevor Arms	
Obligated Level		Obligated Level	
8.4%	0.85	10%	0.02
16.7%	2.24	20%	0.04
25.1%	9.75	30%	0.05
33.5%	13.65	40%	0.07
41.8%	17.06	50%	0.09
50.2%	20.47		
Obligated Level (GWh/d)	179.3		49