

All Shippers & Interested Parties

Chris Logue
Market Change Development
Manager
chris.logue@nationalgrid.com
Mobile +44 (0) 7880 784888

www.nationalgrid.com

12 January 2018

Dear Industry Participant

Notice of NTS Annual Yearly (Entry and Exit) Interconnection Point (IP) Reserve Prices

The Annual Yearly Auctions for NTS Entry and Exit Capacity at Interconnection Points will be held in July 2018 for capacity from 1 October 2018 to 30 September 2033.

National Grid is publishing this Notice of change to NTS transportation charges at least one month in advance of the next Annual Yearly Auctions, consistent with our Licence.

Reserve prices for the Annual Yearly and Annual Quarterly auctions are calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC) – [Charging Methodologies](#), Section B of the [European Interconnection Document](#) (EID) – Capacity and the [Entry Capacity Release](#) (ECR) Methodology Statement.

IP Entry Capacity Reserve Prices

Entry Capacity reserve prices at IPs are set using our Transportation Model which includes:

- Supply and demand patterns determined from the latest data in the 2017 Ten Year Statement and the balancing rules in accordance with Section Y of the UNC.
- The pipeline network expected in 2018/19.
- The latest expansion constant for the investment costs.

The reserve prices for the Entry Capacity Annual Yearly IP Auction are detailed in Table 1 below. (These prices will also be applicable for the Entry Annual Quarterly Auction.)

IP Exit Capacity Reserve Prices

The reserve prices for the Exit Capacity Annual Yearly IP Auction are the Indicative reserve prices that were published for 2018/19 in [April 2017](#). The Final Exit Capacity reserve prices for the Gas Year 2018/19 (1 October 2018 to 30 September 2019) will be published by 1 May 2018. The current Indicative reserve prices for capacity from 1 October 2018 are detailed in Table 2 below.

Details of the reserve prices can also be found in Appendix F of the NTS Gas Transportation Charges Statement [1 October 2017](#).

NTS large price steps for an Annual Yearly IP (Entry and Exit) auction will be the greater of 5% of the applicable reserve price and 0.0001 p/kWh/day.

If you have any questions or feedback relating to this notice, or NTS charges in general, please contact Karin Elmhirst on 01926 655540 or email at box.transmissioncapacityandcharging@nationalgrid.com.

Yours sincerely

Chris Logue
Market Change Development Manager

Table 1 Entry Capacity Reserve Price for Interconnection Points for the Annual Yearly Auctions which will take place in July 2018.

| EU Interconnector Points (IPs) | from 1 Oct 18 Pence per kWh per day | from 1 Oct 17 Pence per kWh per day | Change Pence per kWh per day |
|--------------------------------|---|---|------------------------------------|
| Bacton IP | 0.0089 | 0.0108 | -0.0019 |

Table 2 [Indicative Exit Capacity Reserve Price](#) for Interconnection Points for the Annual Yearly Auctions which will take place in July 2018.

| Offtake Point | Type of Offtake | from 1 Oct 18 Pence per kWh per day (Indicative) | from 1 Oct 17 Pence per kWh per day (final) | Change Pence per kWh per day |
|-------------------------------|-------------------------------------|---|--|---------------------------------------|
| Bacton IUK | INTERCONNECTOR | 0.0001 | 0.0001 | 0 |
| Bacton BBL | INTERCONNECTOR | 0.0001 | 0.0001 | 0 |
| Moffat (Irish Interconnector) | INTERCONNECTOR – FIRM, EXIT ONLY | 0.0001 | 0.0003 | -0.0002 |