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27 April 2017

Dear Chris,

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

The Annual Quarterly Auctions for Entry and Exit Capacity for Interconnection Points (IPs) will be held in August 2017 for capacity from 1 October 2017 to 30 September 2018.

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

Reserve prices for the Annual Quarterly Auctions are calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC) – Charging Methodologies¹, Section B of the European Interconnection Document (EID) – Capacity² and the Entry Capacity Release (ECR) Methodology Statement³.

Entry reserve prices at IPs and final Exit reserve prices at IPs are set using a Transportation Model which includes:

- The supply and demand forecast for 2017/18⁴ taken from the 2016 Gas Ten Year Statement and the balancing rules in accordance with Section Y of the UNC.
- The pipeline network expected in 2017/18.
- The latest expansion constant for the investment costs.

The reserve prices for the Entry Annual Quarterly IP Auction are detailed in Table 1.

The final Exit prices for capacity from 1 October 2017 are detailed in Table 2⁵.

Details of the prices can also be found in Appendix 4 of the Indicative Notice of Gas Transmission Transportation Charges effective from 1 October 2017⁶.

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

¹ http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20Y%20-%20Charging%20Methodologies_18.pdf

² http://www.gasgovernance.co.uk/sites/default/files/EID%20Section%20B%20-%20Capacity_1.pdf

³ <http://www2.nationalgrid.com/UK/Industry-information/Gas-capacity-methodologies/Entry-Capacity-Release-Methodology-Statement/>

⁴ Different years are modelled for the reserve prices for the Annual Quarterly Auction compared to the QSEC Auction, hence the prices may be different.

⁵ These prices are applicable for Exit Annual Yearly IP Capacity Auctions, Exit Annual Quarterly IP Capacity Auctions, Exit Rolling Monthly IP Capacity Auctions, Exit Rolling Day Ahead IP Capacity Auctions and Within Day IP Capacity Auctions for Capacity from 1 October 2017.

⁶ <http://www.gasgovernance.co.uk/ntscharges/2017>

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

Jenny Phillips
Gas Charging & Capacity Development Manager

Table 1 – Entry Reserve Price for Interconnection Points for Annual Quarterly Auctions

EU Interconnector Points (IPs)	from 1 Oct 17 Pence per kWh per day
Bacton IP	0.0108

Table 2 – Exit Reserve Price for Interconnection Points for Annual Quarterly Auctions

Offtake Point	Type of Offtake	from 1 Oct 17 Pence per kWh per day
Bacton IUK	INTERCONNECTOR	0.0001
Bacton BBL	INTERCONNECTOR	0.0001
Moffat (Irish Interconnector)	INTERCONNECTOR – FIRM, EXIT ONLY	0.0003