

Notice of QSEC 2007 Step Prices and MSEC and DSEC Entry Capacity Reserve Prices

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 dated 1 April 2007. 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 (RMSEC and DSEC), purchased during September 2007 for use from 1 October 2007, will be subject to the appropriate revised reserve prices. Following an industry consultation on the capacity charging methodology (GCM01), 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.

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

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

Finally, please be advised that the prices given in this notice are based on the annuitisation factor that has been applied to the revenue drivers within the Gas Transporter Licence in respect of the NTS. The Gas Transporter Licence is currently under consultation under Section 23 of the Gas Act 1986. If, as a result of this consultation, the factor should change then the prices will require amending; however appropriate notification will be given.

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 2007

	MSEC Reserve Prices Pence per kWh per day		
	Y	Y+1	Y+2
Entry Point	from 1 Oct 07 to 30 Sep 08	from 1 Oct 08 to 30 Sep 09	from 1 Oct 09 to 31 Mar 10
Coastal Terminals & LNG Importation			
Bacton	0.0060	0.0087	0.0098
Barrow	0.0080	0.0064	0.0036
Easington&Rough	0.0075	0.0068	0.0080
Isle of Grain	0.0001	0.0001	0.0001
Milford Haven	0.0151	0.0152	0.0164
St Fergus	0.0374	0.0362	0.0343
Teesside	0.0091	0.0072	0.0067
Theddlethorpe	0.0063	0.0067	0.0068
Onshore Fields and Connections			
Burton Point	0.0001	0.0001	0.0001
Hatfield Moor	0.0022	0.0015	0.0023
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
Cheshire	0.0001	0.0001	0.0001
Fleetwood	0.0002	0.0001	0.0032
Garton	0.0094	0.0071	0.0086
Glenmavis	0.0178	0.0162	0.0137
Hatfield Moor	0.0022	0.0015	0.0023
Hornsea	0.0078	0.0071	0.0092
Partington	0.0001	0.0001	0.0001
Constrained LNG			
Avonmouth	0.0001	0.0001	0.0001
Dynevor Arms	0.0001	0.0040	0.0052

Table 2 continued

DSEC Reserve Prices Pence per kWh per day	
Entry Point	from 1 Oct 07 to 30 Sep 08
Coastal Terminals & LNG Importation	
Bacton	0.0040
Barrow	0.0053
Easington&Rough	0.0050
Isle of Grain	0.0001
Milford Haven	0.0101
St Fergus	0.0249
Teesside	0.0061
Theddlethorpe	0.0042
Onshore Fields and Connections	
Burton Point	0.0001
Hatfield Moor	0.0015
Hole House Farm	0.0001
Wytch Farm	0.0001
Storage	
Barton Stacey	0.0001
Cheshire	0.0001
Fleetwood	0.0001
Garton	0.0063
Glenmavis	0.0119
Hatfield Moor	0.0015
Hornsea	0.0052
Partington	0.0001
Constrained LNG	
Avonmouth	0.0001
Dynevor Arms	0.0001

Appendix D QSEC Step Prices 2007

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).

NTS Entry Capacity Auctions Reserve Price and Incremental Price Steps

Pence/kWh/day

	Coastal Terminals & Importation Facilities								
	Bacton	Easington & Rough	Theddlethorpe	St Fergus	Teesside	Barrow	Milford Haven	Isle of Grain	
Baseline	0.0098	0.0080	0.0068	0.0343	0.0067	0.0036	0.0164	Baseline	0.0001
2.5%	0.0099	0.0082	0.0069	0.0349	0.0068	0.0037	0.0165	3.29%	0.0007
5.0%	0.0100	0.0088	0.0070	0.0350	0.0069	0.0038	0.0166	6.58%	0.0008
7.5%	0.0101	0.0092	0.0071	0.0351	0.0070	0.0039	0.0167	9.87%	0.0009
10.0%	0.0102	0.0093	0.0072	0.0352	0.0071	0.0041	0.0168	13.16%	0.0010
12.5%	0.0103	0.0094	0.0073	0.0354	0.0072	0.0042	0.0169	16.45%	0.0022
15.0%	0.0108	0.0095	0.0074	0.0367	0.0073	0.0043	0.0170	19.74%	0.0023
17.5%	0.0109	0.0096	0.0077	0.0368	0.0074	0.0044	0.0171	23.03%	0.0027
20.0%	0.0110	0.0097	0.0078	0.0369	0.0086	0.0045	0.0172	26.32%	0.0028
22.5%	0.0119	0.0098	0.0085	0.0380	0.0087	0.0046	0.0173	29.61%	0.0029
25.0%	0.0120	0.0099	0.0088	0.0395	0.0088	0.0047	0.0174	32.89%	0.0046
27.5%	0.0121	0.0100	0.0089	0.0396	0.0089	0.0048	0.0175	36.18%	0.0069
30.0%	0.0127	0.0101	0.0090	0.0397	0.0090	0.0049	0.0176	39.47%	0.0070
32.5%	0.0130	0.0102	0.0091	0.0398	0.0091	0.0050	0.0177	42.76%	0.0071
35.0%	0.0131	0.0113	0.0092	0.0399	0.0092	0.0051	0.0179	46.05%	0.0072
37.5%	0.0132	0.0114	0.0093	0.0400	0.0093	0.0052	0.0186	49.34%	0.0073
40.0%	0.0133	0.0115	0.0094	0.0401	0.0094	0.0055	0.0187	52.63%	0.0074
42.5%	0.0134	0.0116	0.0095	0.0402	0.0095	0.0056	0.0188	55.92%	0.0075
45.0%	0.0135	0.0117	0.0096	0.0404	0.0096	0.0057	0.0189	59.21%	0.0076
47.5%	0.0136	0.0118	0.0097	0.0405	0.0097	0.0059	0.0190	62.50%	0.0077
50.0%	0.0137	0.0119	0.0098	0.0406	0.0098	0.0060	0.0191	65.79%	0.0078
Obligated Level (GWh/d)	1783.4	1407.2	610.7	1670.7	361.3	309.1	950.0		410.4

Pence/kWh/day

Onshore Fields and Connections							
Hatfield Moor		Wyth Farm		Burton Point		Hole House Farm	
Baseline	0.0023	Baseline	0.0001	Baseline	0.0001	Baseline	0.0001
10%	0.0024	10%	0.0002	10%	0.0002	10%	0.0003
20%	0.0025	20%	0.0003	20%	0.0003	20%	0.0004
30%	0.0026	30%	0.0004	30%	0.0004	30%	0.0005
40%	0.0027	40%	0.0005	40%	0.0005	40%	0.0009
50%	0.0028	50%	0.0006	50%	0.0006	50%	0.0010
Obligated Level (GWh/d)	15.2		3.3		73.5		131.6

Appendix D continued

Pence/kWh/day

Storage Sites													
Garton		Cheshire		Fleetwood		Hornsea		Glenmavis		Partington		Barton Stacey	
Obligated Level	0.0086	Obligated Level	0.0001	Obligated Level	0.0032	Obligated Level	0.0092	Obligated Level	0.0137	Obligated Level	0.0001	Obligated Level	0.0001
2.5%	0.0087	2.5%	0.0028	5%	0.0033	6.75%	0.0094	52.6%	0.0138	8.6%	0.0002	8.7%	0.0076
5.0%	0.0088	5.0%	0.0031	10%	0.0034	13.50%	0.0095	105.3%	0.0139	17.2%	0.0003	17.4%	0.0077
7.5%	0.0089	7.5%	0.0038	15%	0.0044	20.25%	0.0096	157.9%	0.0140	25.8%	0.0004	26.1%	0.0080
10.0%	0.0090	10.0%	0.0039	20%	0.0059	27.00%	0.0097	210.5%	0.0144	34.4%	0.0005	34.8%	0.0081
12.5%	0.0091	12.5%	0.0040	25%	0.0060	33.75%	0.0098	263.2%	0.0145	43.0%	0.0006	43.5%	0.0082
15.0%	0.0092	15.0%	0.0041	30%	0.0061	40.50%	0.0099			51.5%	0.0007	52.1%	0.0083
17.5%	0.0093	17.5%	0.0042	35%	0.0062	47.25%	0.0100						
20.0%	0.0094	20.0%	0.0043	40%	0.0064	54.01%	0.0101						
22.5%	0.0095	22.5%	0.0044	45%	0.0066								
25.0%	0.0096	25.0%	0.0045	50%	0.0067								
27.5%	0.0097	27.5%	0.0046	55%	0.0068								
30.0%	0.0098	30.0%	0.0047	60%	0.0069								
32.5%	0.0099	32.5%	0.0048	65%	0.0070								
35.0%	0.0100	35.0%	0.0049	70%	0.0071								
37.5%	0.0101	37.5%	0.0050	75%	0.0072								
40.0%	0.0102	40.0%	0.0053	80%	0.0073								
42.5%	0.0103	42.5%	0.0054	85%	0.0078								
45.0%	0.0104	45.0%	0.0055	90%	0.0079								
47.5%	0.0105	47.5%	0.0056	95%	0.0080								
50.0%	0.0106	50.0%	0.0057	100%	0.0081								
Obligated Level (GWh/d)	420		542.7		650		222.2		28.5		174.6		172.6

Pence/kWh/day

Constrained LNG			
Avonmouth		Dynevor Arms	
Obligated Level	0.0001	Obligated Level	0.0052
8.37%	0.0002	105%	0.0053
16.73%	0.0003	210%	0.0054
25.10%	0.0004	315%	0.0055
33.46%	0.0005	420%	0.0056
41.83%	0.0006	525%	0.0057
50.20%	0.0007		
Obligated Level (GWh/d)	179.3		8