UNC Modification Update: 0061

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Overview

- National Grid NTS will call a GBA when, on D or D-1, the demand forecast is greater than, or equal to, the anticipated available supplies.
- GBAs could be issued after the 14:00 or 02:00 demand forecast runs.
- It can also be called within day if a supply loss leads to forecast demand being greater than anticipated available supplies.
- On commencement of a GBA, shippers will be invited to submit Over the Counter (OTC) offers for single or multiple days.
- Shippers can also make multi-day offers on the OCM Locational Market.
- Multi-day offers can be made for a maximum of 7 days ahead from the day they are posted.
- Only non OCM subscribers are able to make OTC offers.
- Terms and conditions for OTC trading and other relevant documentation will be published on a National Grid web page in the Operational Info section.

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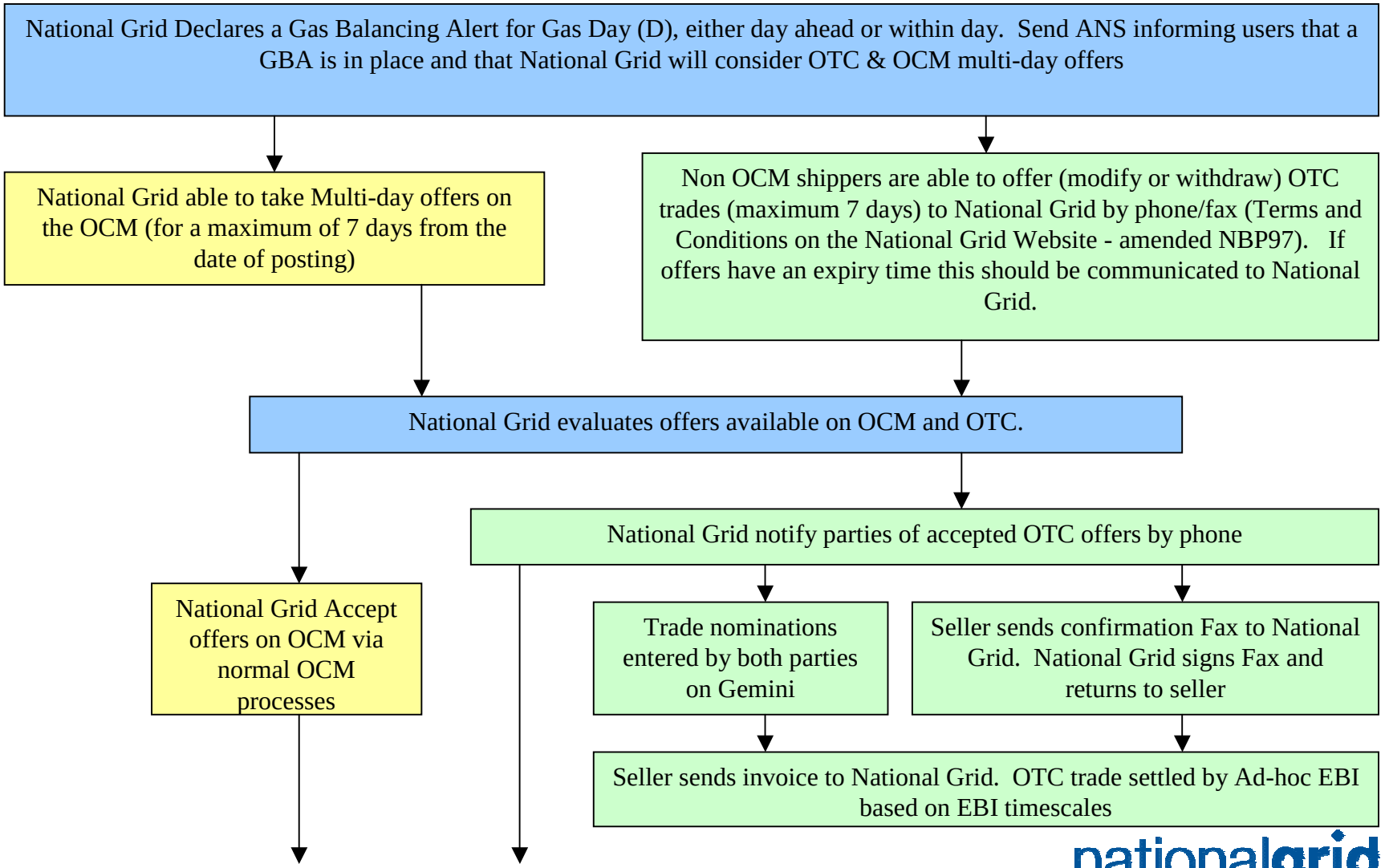
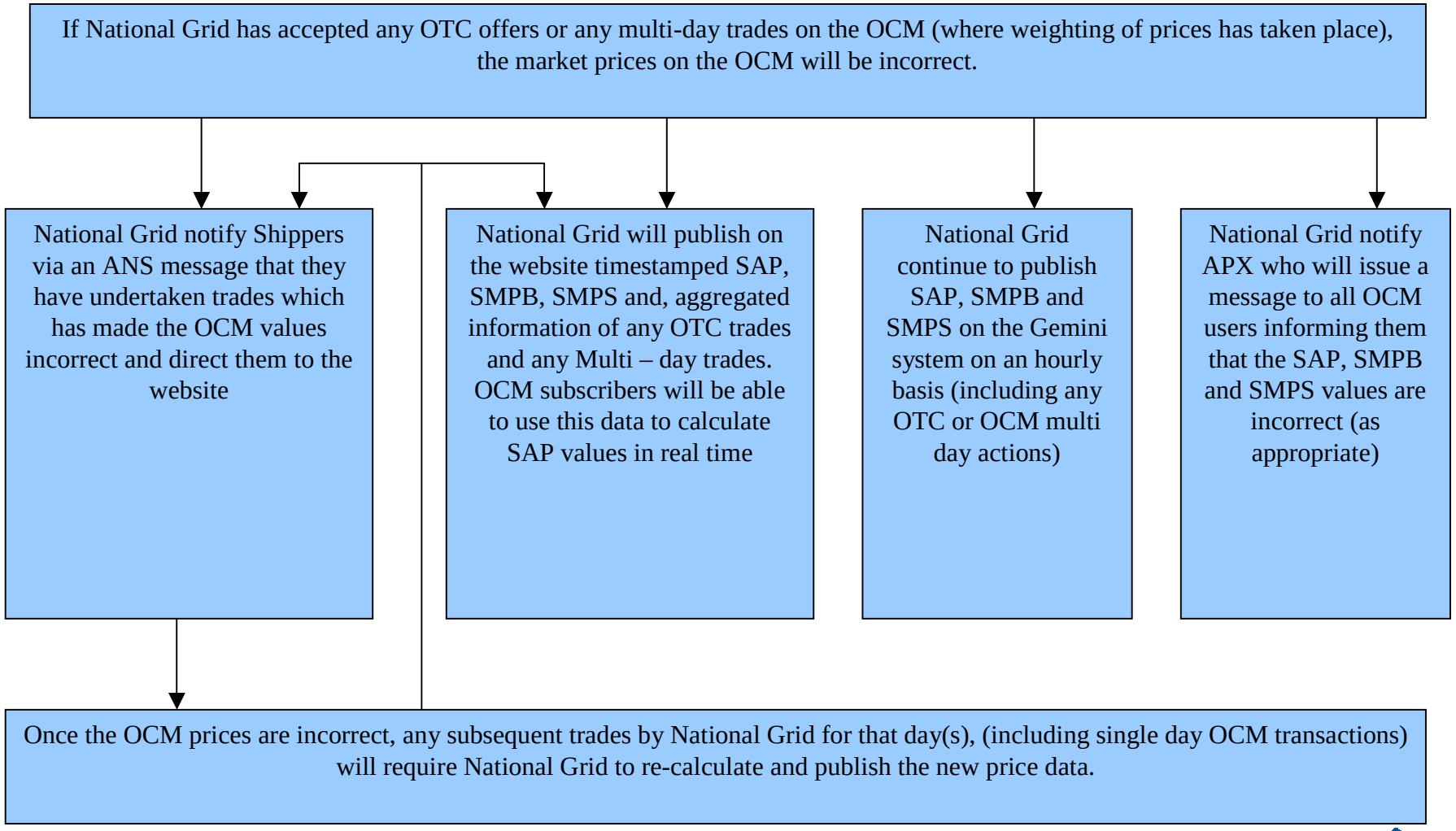
Process Flow Diagram



Process Flow Diagram contd…..



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OTC Shipper Process

- Receive an ANS message stating a Gas Balancing Alert has been declared. View the Daily Summary Report for more information.
- Telephone GNCC offering to trade on the OTC.
- Complete a proforma with the details of your offer. All details should be completed or the trade will be rejected. Access the proforma on the National Grid GBA web page in the Operational Info area.
- Fax the completed proforma to GNCC.
- Receive a telephone call to acknowledge receipt of the fax.
- Receive confirmation that trade/s have been accepted via telephone from GNCC.
- Match the NBP trade on Gemini with 'Balancing Operator' as the counterparty.
- Complete and sign an NB97 deal confirmation form and fax to the Settlements department on 01926 656 613.
- The form will be countersigned and faxed back to the seller within D+3.

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Multi-day Offers: Weightings

- In determining what proportion of a multi-day trade (price and cost) should contribute to SAP, SMP and Balancing Neutrality for each of the days associated with the multi-day trade, National Grid NTS will determine the 'Probability of Requirement', i.e. the probability of demand exceeding supply, based on available notified supply/demand data and forecast weather data it has at that time.
- The calculations will be based on the following formula:
  - % of price applied = Probability of requirement/Sum of all Probabilities of requirement
  - Effective Price (Used in SMP_{buy})=% of price applied * (p/kWh*Number of days trade applies for)
- The formula will be applied separately to each multi-day trade using the most up to date supply, demand and weather information.

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Info Publishing

- There will be a link from the Daily Summary Report to a file containing the following information:
  - A formula for calculating revised system prices
  - Volume and cost correction factors for use with the above formula
  - Revised SMP_{buy} for D to D+7 and applicable SAP and SMP_{sell} for D and D+1

- This file will be updated with current information when National Grid NTS takes a balancing action, and on an hourly basis
- An ANS message will be issued to notify Shippers each time the file is updated
- Revised system prices will be published every hour on Gemini in the usual way
- A message to subscribers will be displayed on the OCM advising them to view the National Grid website for current system prices

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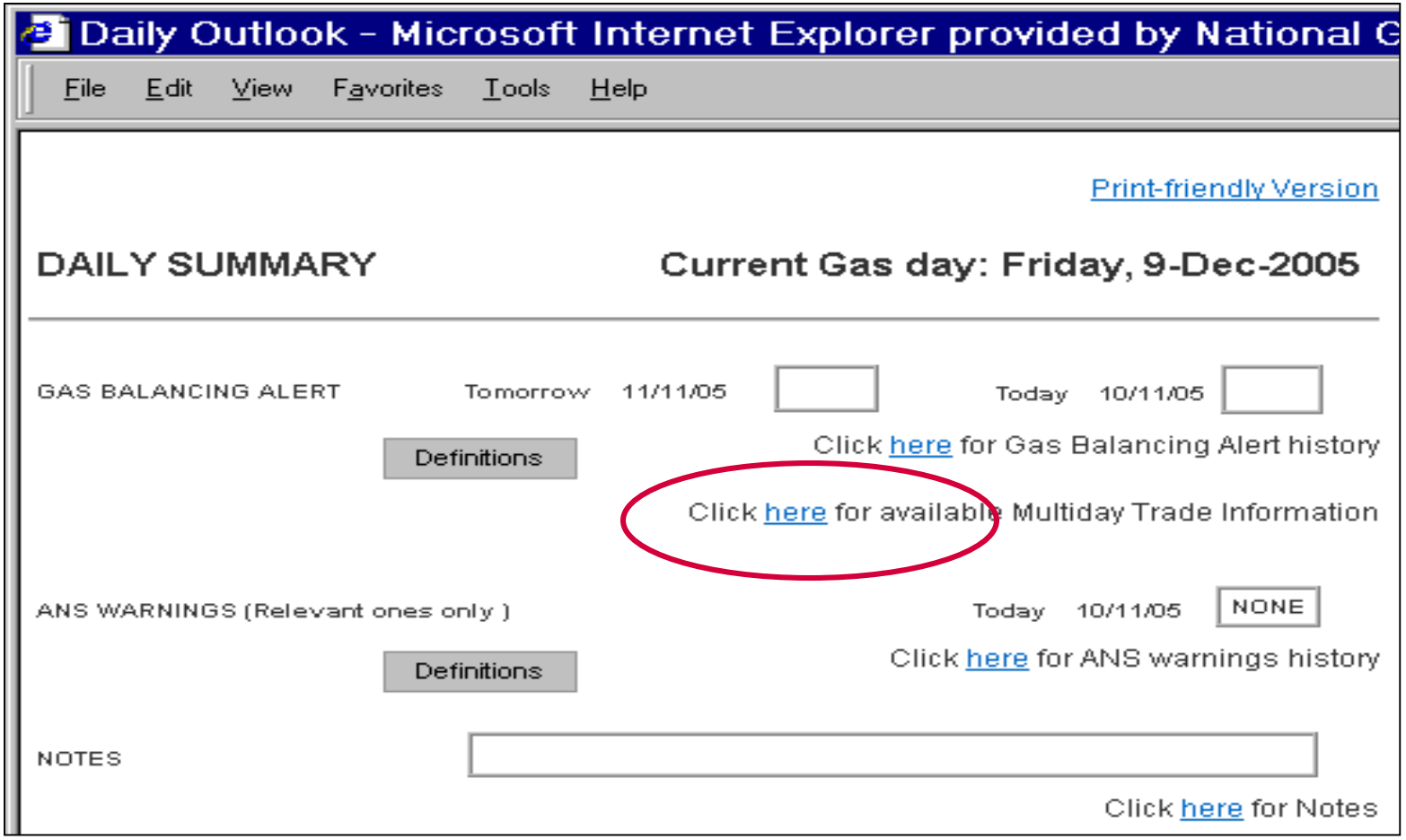
New Web Link



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File Example…

CORRECT PRICES FOLLOWING ACCEPTANCE OF OTC/MULTI-DAY OFFERS

DATE/TIME STAMP

	Date 1	Date 2	Date 3….				Date 7
SMP_{buy}							
SMP_{sell}							
SAP *							

* Note that the SAP is only valid at the date and time shown. To calculate SAP in real time, use the formula and correction factors shown below.

Correction Factors	Date 1	Date 2	Date 3….				Date 7
Volume							
Cost							

FORMULA

$$SAP = \frac{\text{Total OCM Cost + Cost Correction Factor}}{\text{Total OCM Volume + Volume Correction Factor}}$$

Where Total OCM Cost = Cost of [Title+Physical+(Single Day Locational – LB01 Trade Cost)]

LB01 Trade Cost Date 1 = Date 2 =

Total OCM Volume = Volume of [Title+Physical+(Single Day Locational – LB01 Trade Volume)]

LB01 Trade Volume Date 1 = Date 2 =

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GBA Web Page

- There will be a new GBA web page set up on the National Grid website accessible from the Operational Info area.

- www.nationalgrid.com/uk/Gas/OperationalInfo/

- This web page will contain contact details of relevant personnel and links to the following:
  - A summary process flow chart
  - Shipper Procedure for Over the Counter Trading (OTC)
  - Terms and Conditions for OTC trading
  - Proforma to be used for making an OTC offer
  - Proforma for confirming an accepted OTC offer
  - Impacts on SAP, SMPB and SMPS

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