

National Grid Gas plc
Operating Margins Tender
2017/18

Explanation and Tender Guidance Document

Issued December 2016

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Website:

<http://www2.nationalgrid.com/UK/Industry%20information/Gas%20transmission%20system%20operations/Balancing/Operating%20margins/>

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1. Background

At the last Transmission Price Control Review, National Grid Gas accepted National Transmission System ('NTS') Special Licence Condition 8C, which requires it to '...use reasonable endeavours to procure its Operating Margins ('OM') requirements in an economic and efficient manner and promote competition in the provision of Operating Margins...'

The OM tender assessment takes place on an annual basis for the provision of OM services, and is open to providers of gas storage capacity and gas deliverability arrangements.

This document provides details and guidance around this process.

2. Introduction

Important – Please Read

This Explanation and Tender Guidance Document is to be read in conjunction with the following documentation which is available on National Grid's website:

<http://www2.nationalgrid.com/UK/Industry%20information/Gas%20transmission%20system%20operations/Balancing/Operating%20margins/>

- Invitation to Tender ('ITT') letter
- Tender Pack 1 – Gas Storage Capacity
- Tender Pack 2 – Gas Delivery
- Operating Margins Agreements
 - Gas Capacity Agreement – Storage
 - Gas Delivery Agreement – LNG Storage
 - Gas Delivery Agreement – Demand Reduction and/or Supply Increase
- Indexation Principles Document

The above documents, together with this Explanation and Tender Guidance Document, are referred to as '**the Documentation**'.

Disclaimer and Tenderer's Responsibility

This Explanation and Tender Guidance Document is not intended to be legally binding or to form any offer capable of acceptance. Nothing herein shall be deemed to create a legal relationship between National Grid Gas and any other person.

Tenderers for the OM Service shall satisfy themselves of the accuracy and completeness of any information they may use in preparing their tenders, whether such information is provided by National Grid Gas or comes from any other source. National Grid Gas, its advisors and any other person responsible for production of

any information to a tenderer do not accept any duty of care to the tenderer. It is the duty and responsibility of a tenderer to ensure that it takes into account all considerations relating to the tender for and entering into an agreement to provide an OM service.

National Grid Gas reserves the right not to proceed with any tenders or proposals made in response to the Documentation.

Before submitting any tenders or proposals, tenderers for the OM Service should satisfy themselves that they meet any and all legal requirements necessary for participation in the tender.

Terminology and Interpretation

The Documentation makes reference to various technical and industry-related terms and phrases. Save where otherwise expressly defined, these shall have the meanings set out in the relevant template OM Agreements. In the event of any conflict between the template OM Agreements and any other information supplied with, contained in or referred to in the Documentation (and any other information supplied at any time by National Grid Gas with respect to OM services), tenderers and prospective tenderers should rely solely on the terms and conditions set out or referred to in the template OM Agreements.

The information contained in this Explanation and Tender Guidance Document is, to the best of National Grid Gas' belief, accurate and has been given in good faith. However, no warranty or representation or other obligation or commitment of any kind is given by National Grid Gas, its employees or advisers as to (i) the accuracy and completeness of any information contained in this Explanation and Tender Guidance Document, or (ii) whether there are any other matters material to the matters referred to herein other than is contained or referred to in such information. Neither National Grid Gas nor its employees or advisers shall be under any liability for any error, misstatement or omission in this Explanation and Tender Guidance Document, nor shall any such information constitute a contract or part of a contract.

3. Overview of Operating Margins

3.1 The Need for Operating Margins

National Grid Gas purchases OM services on an annual basis in line with both the requirements of TPD Section K of the Network Code and obligations described in the National Grid Gas safety case in respect of the NTS ('**Safety Case**'). The Safety Case places an obligation on National Grid Gas to maintain OM at levels and locations determined throughout the year.

The OM service is used at times of severe system stress to maintain NTS pressures in the period before other system management services become effective (e.g. national or locational balancing actions). Primarily, OM will be used in the immediate period following the occurrence of any of the following, to the extent that all other System Operator actions are insufficient:

- Supply Loss: Terminal, Sub-Terminal, Interconnector, LNG Importation Terminal;
- Pipe Break (including loss of infrastructure that renders pipe unusable);
- Compressor Failure; and
- Demand Forecast Error.

It is important to ensure that the deliverability and sustainability of OM holdings is sufficient to manage these events.

A quantity of OM is also procured to manage the orderly run-down of the NTS in the event of a Network Gas Supply Emergency whilst firm load shedding takes place.

National Grid Gas forecasts its OM requirements (both locational and non-locational) by using network analysis and statistical techniques to model the impact of the operational stresses described above.

3.2 The OM Requirement

Tenders are invited from Gas Storage, LNG Importation with Storage, Supply Increase and/or Demand Reduction to meet our forecast OM requirement for 2017/18. The initial forecast requirement for 2017/18 is **899 GWh**, which includes locational requirements in the South West and South East.

4. Summary of Tenders Requested

National Grid Gas is inviting tenders for OM service provision from existing and new service providers as set out below.

4.1 Permissible Service Categories under current terms

Permissible service provider types under current arrangements are as follows:

1. Gas storage facility operators;
2. Primary capacity holders at gas storage facilities (it is envisaged that primary capacity holders will make injections and withdrawals at National Grid Gas's direction);
3. LNG importation (with storage) facility operators;
4. Primary capacity holders at LNG importation facilities with storage;
5. Shippers or facility owners/operators who can offer a guaranteed level of supply increase/demand reduction (or combination thereof) from a portfolio; or
6. Shippers or facility owners/operators who can offer a guaranteed level of supply increase/demand reduction from a single site.

Service providers from storage-based facilities can offer the following types of tender:

- **OM Gas Capacity Arrangements** (where National Grid Gas will hold OM capacity in OM facilities, and may inject gas into, hold gas in, and withdraw gas from such OM facilities); and

- **OM Gas Delivery Arrangements from LNG Importation Terminals with storage** (where Users will hold OM capacity in OM facilities, and will hold gas in and withdraw gas from such OM facilities, for delivery to the NTS).

Service providers able to increase supply or reduce demand, can offer the following type of tender:

- **OM Gas Delivery Arrangements** (where Users will increase the delivery of gas to or reduce or delay the offtake of gas from the NTS in such quantities and at such times as National Grid Gas and the relevant User may agree).

5. Overview of Tender and Contracting Process

5.1 Operating Margins Tenders

All OM tenders must be submitted not later than **17:00 hours on Friday 3rd February 2017 ('Market Day')**.

Please note that tenderers will have the right to withdraw tenders up to the point that they are accepted and an OM agreement has been signed.

The detailed requirements and guidance in respect of the completion and submission of OM tenders can be found in Sections 7 and 8 of this document.

5.2 Acceptance and Rejection of Operating Margins Tenders

After Market Day, National Grid Gas will assess all OM tenders which it receives, applying the assessment principles set out in Section 9 of this document. National Grid Gas may either accept or reject an OM tender by issuing an OM Tender Acceptance or OM Tender Rejection. Where a tenderer permits National Grid Gas to accept only some of the quantity tendered in an OM tender, then National Grid Gas may issue an OM Tender Acceptance in respect of the successful quantity and an OM Tender Rejection in respect of the rejected quantity.

National Grid Gas will issue OM Tender Acceptances and Rejections in respect of this tender round by no later than **17:00 hours on Wednesday 1st March 2017**.

5.3 Formation of an Operating Margins Contract

Where National Grid Gas accepts a tender, the tenderer and National Grid Gas will enter into an agreement on substantially the same terms as the OM tender submission. Both parties shall use reasonable endeavours to enter into the agreement as soon as possible after receipt of an OM Tender Acceptance, and in any event no later than Friday 31st March 2017.

6. Requirements of the Tender Process

6.1 Gas Capacity Tenders (Tender Pack 1)

Each OM capacity tender must be in respect of one facility (or a portfolio of facilities), with such facility (or facilities) listed in Part 3 of Tender Pack 1.

It is a requirement that the OM service proposed in any tender offer must:

1. Offer a quantity of space of at least 6,000,000 kWh (equivalent to 500,000 kWh per hour withdrawal capacity for 12 hours);
2. Meet the minimum availability threshold across the summer and winter periods, being:

Summer period (May – Sep)	Winter period (Oct – Apr)
Min 1836 hrs (50% out of a Max 3672 hrs)	Min 4579 hrs (90% out of a Max 5088 hrs)

3. Offer the ability to access unused withdrawal capacity (note, primary access rights are not necessary for an OM service);
4. Set out the quantity of minimum withdrawal capacity that would be available to National Grid Gas at the facility in question when other users in the facility are not utilising any part of the withdrawal capacity. Where a facility's ability to withdraw gas is impacted by certain operational circumstances, such as the quantity of gas in store, then this should be clearly explained and taken into account;
5. Offer arrangements that would enable the OM gas held in store from the relevant facility to be physically delivered (as per 4 above) over an interval of not more than 24 hours, assuming other users at the facility are not utilising their withdrawal capacity;
6. Deliver a physical service on the NTS on an hourly basis – i.e. when an OM nomination is made there must be an hourly physical flow change at the NTS level of the quantity requested in the nomination that otherwise would not have occurred if the OM nomination had not been made; and
7. Offer a response time of no greater than 2 hours from the first hour following an instruction.

However, National Grid Gas reserves the right to accept offers that may not be able to fully meet all of these requirements.

6.2 Gas Delivery Tenders (Tender Pack 2)

Each OM tender must be in respect of one facility (or a portfolio of facilities), with such facility (or facilities) listed in Part 3 of Tender Pack 2.

It is a requirement that the OM service proposed in any tender offer must:

1. Offer a quantity of supply increase, demand reduction and/or withdrawal of gas from storage of at least 500,000 kWh per hour for at least 12 hours;
2. Meet the minimum threshold across the summer and winter periods, being:

Summer period (May – Sep)	Winter period (Oct – Apr)
Min 1836 hrs (50% out of a Max 3672 hrs)	Min 4579 hrs (90% out of a Max 5088 hrs)

3. Deliver a physical service on the NTS on an hourly basis – i.e. when an OM nomination is made there must be an hourly physical flow change at the NTS level of the quantity requested in the nomination (and in the case of demand reduction, a corresponding NBP trade nomination) that otherwise would not have occurred if the OM nomination had not been made; and
4. Offer a response time of no greater than 2 hours from the first hour following an instruction.

However, National Grid Gas reserves the right to accept offers that may not be able to fully meet all of these requirements.

6.3 All Tenders

The tenderer must complete all mandatory fields on the relevant Tender Pack, and must enter only 1 item of data per field.

To allow flexibility in the formulation of tenders, up to three Tender Packs may be submitted in respect of each facility or portfolio of facilities for a service period.

National Grid Gas strongly prefers to contract on the basis of its published template OM Agreement terms. Any changes that tenderers wish to make to these template OM Agreement terms (or alternative terms) must be detailed in the Appendix of the relevant Tender Pack and will be factored into the assessment process.

The tenderer must provide (upon request) satisfactory evidence to support all tendered parameters.

Please note that we will be reporting on submitted tenders by storage type / volume etc. to Ofgem (and the industry) on an anonymous basis.

7. Completion and Submission of OM Tenders

Tenders must be returned by post or by hand (not facsimile or email) not later than **17:00 hours on Market Day (Friday 3rd February 2017)** to:

Tahir Mahmood
Gas Contract Services
National Grid Gas plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Envelopes containing OM tenders **must** be clearly marked on the top left hand corner '**OM Tender**'.

If, in the sole judgement of National Grid Gas, a tenderer has failed to submit a compliant OM tender, National Grid Gas reserves the right to:

1. Accept the OM tender in question; or
2. Reject the OM tender in question; and/or
3. Take any other action it deems appropriate in the circumstances, including requesting the tenderer to amend any parameters other than prices, so that it is made compliant.

National Grid Gas's decision as to whether or not an OM tender is compliant shall be final, and the tenderer concerned may be notified of such decision without prior consultation or explanation.

No costs or expenses incurred in the course of preparing and/or submitting an OM tender will be paid for by National Grid Gas.

If any further information is required to assist with the preparation of an OM tender, the tenderer should request this information from National Grid Gas. National Grid Gas may consider it necessary to copy any further information given in response to specific enquiries to all other tenderers. No further information will be issued by National Grid Gas after **Friday 27th January 2017**.

OM tenders will be opened by an evaluation panel no earlier than **09:00 hours on Monday 6th February 2017**.

8. Guidance Notes for Completion of Tender Packs

The two tender packs published alongside this document are as follows:

1. Tender Pack 1: Operating Margins 2016 Gas Capacity Tender
2. Tender Pack 2: Operating Margins 2016 Gas Delivery Tender

If you are unsure which Tender Pack you should be completing as part of your tender submission please contact National Grid Gas.

Tenderers offering either Gas Capacity or Gas Delivery tenders may submit up to three separate tenders per facility or portfolio of facilities.

Please note: National Grid Gas will supply electronic copies of Tender Packs in Microsoft Word format via email, on request. Alternatively, tenderers may submit OM tenders on copies of the relevant Tender Packs taken from the National Grid Gas website.

Part 1: Tenderer Details (Both Tender Packs)

1	Tenderer's Company Name	Please insert the tenderer's company name.
2	Company Representative	For the purposes of receiving OM Tender Acceptance Notices and OM Tender Rejection Notices, and for any questions in relation to the OM tender, please specify the representative for whose attention such Notices are to be marked.
3	Company Representative address	Please insert the representative's address.
4	Telephone Number	For the purposes of receiving tender queries, please specify the representative's telephone number.
5	Facsimile Number	For the purposes of receiving OM Tender Acceptance Notices and OM Tender Rejection Notices, please specify the representative's facsimile number.
6	E-mail Address	For the purposes of receiving communications, please specify the representative's email address.

Part 2: Terms of Tender Submission (Both Tender Packs)

National Grid Gas strongly prefers to contract on the basis of its published template OM agreement terms. Any changes that tenderers wish to make to these standard terms (or alternative terms) must be detailed in the Appendix of the relevant Tender Pack and will be factored into the assessment process.

Part 3: Facility Details (Both Tender Packs)

7	Facility Name	Please insert name of facility, or name of portfolio being offered as part of the tender.
8	Location of Facility	Please insert full facility address including postcode. If the service offered is an aggregate position made up from more than one site please list each site individually in Appendix 2 (Tender Pack 2 only).
9	Category of service provision	Please select or describe the method of service offered. Any additional information relating to the mode of service provision that providers

		may wish to disclose (for example the use of alternative backup fuel rather than NTS offtake) can also be entered here.
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Part 4: Deliverability & Availability (Tender Pack 1)

10A	Storage Withdrawal Capacity	<p>Please set out the quantity of storage withdrawal capacity (in kWh/day) that would be available to National Grid Gas at the facility when other users in the facility are not utilising any part of the withdrawal capacity. Where a facility's ability to deliver gas is impacted by certain operational circumstances (such as the quantity of gas in store) then this should be taken into account.</p> <p>This parameter is important, as National Grid Gas needs to understand the limitations of the facility, for example to deliver gas in a gas supply emergency where the OM gas may be the only gas left in store.</p> <p>The minimum Storage Withdrawal Capacity that may be tendered is 6,000,000 kWh/day.</p>
11A	Facility Delivery Capacity (Nominal)	<p>The template OM Agreement allows an OM nomination to be interrupted if the aggregate quantities under the OM nomination and other users' nominations would exceed the facility's maximum withdrawal capacity. The facility's nominal maximum withdrawal capacity is included in Schedule 1 of the template OM Agreement, but it can be renominated daily to reflect the actual capacity on a particular Day.</p>
12A	Withdrawal Response Time	<p>Please set out the time from receipt of the withdrawal nomination before the start of the withdrawal, being on the hour bar. Please note this should normally be no greater than 2 hours from the next hour bar following receipt of a nomination. So for example if a nomination is sent at 15:01 then the nomination should be met by no later than 18:00.</p>
13A	Injection Response Time	<p>Please set out the time from receipt of the injection nomination before the start of the injection, being on the hour bar.</p>
14A	Planned Maintenance Periods	<p>Please set out dates of planned maintenance outages across the period tendered. National Grid Gas can then take an informed view across all tenders received to assess overall availability across the period. All these dates must be provided where available.</p>

Part 4: Deliverability & Availability (Tender Pack 2)

10B	Maximum Delivery Rate	<p>Please set out the maximum delivery rate (in kWh/hour) that would be available to National Grid Gas at the facility when other users in the facility are not utilising any part of the withdrawal capacity. Where a facility's ability to deliver gas is impacted by certain operational circumstances, then this should be taken into account.</p> <p>The minimum requirement for the Maximum Delivery Rate is 500,000 kWh/hour.</p>
11B	Please tick if the tender may <u>only</u> be accepted in full	<p>This option allows the tenderer to stipulate if only the full tender can be accepted by National Grid Gas as opposed to a partial sum of the quantity tendered.</p> <p>If a tender is partially accepted, the Maximum Delivery Rate and the Service would be reduced pro-rata.</p>
12B	Minimum Delivery Rate (Optional)	<p>Please set out the minimum delivery rate (in kWh/hour) that National Grid Gas may nominate. Where this is dependent on other nominations from other customers at the facility, this should be clearly described.</p>
13B	Response Time	<p>Please set out the time from receipt of the nomination before the start of delivery, being on the hour bar. Please note this should normally be no greater than 2 hours from the next hour bar following receipt of a nomination. So for example if a nomination is sent at 15:01 then the nomination should be met by no later than 18:00.</p>
14B	Planned Maintenance Periods	<p>Please set out the dates of planned maintenance outages across the periods tendered. National Grid Gas can then take an informed view across all tenders received to assess overall availability across the period. All these dates must be provided where available.</p>
15B	Maximum Delivery Duration	<p>Please set out the maximum duration (in hours) per instruction that delivery should be maintained should National Grid Gas instruct the service. The service can be offered based on preference for 12 hours or 24 hours.</p>
16B	Minimum Delivery Duration (Optional)	<p>Please set out the minimum duration (in hours) per instruction that delivery should be maintained and paid should National Grid Gas instruct the service.</p>

17B	Service Quantity (LNG only)	<p>Please set out the maximum quantity (in kWh) that National Grid Gas may nominate over the year, subject to any top-up rights.</p> <p>The minimum requirement for the Service Quantity is 6,000,000 kWh.</p>
18B	Boil-Off (LNG only)	<p>Please set out the estimated average daily boil-off (allowing for any additional quantities of LNG needed for blending). The tenderer must ensure that it holds sufficient LNG in storage at all times to meet an OM instruction, allowing for Boil-Off and the Minimum Inventory.</p>
19B	Minimum Inventory (LNG only)	<p>Please set out the minimum quantity of LNG which the tenderer is required to maintain in the facility's storage tanks at all times. The tenderer must ensure that it holds sufficient LNG in storage at all times to meet an OM instruction, allowing for Boil-Off and the Minimum Inventory.</p>
20B	Facility Delivery Capacity (Nominal) (LNG only)	<p>The template OM Agreement allows an OM nomination to be interrupted if the aggregate quantities under the OM nomination and other users' nominations would exceed the facility's maximum delivery capacity. The facility's nominal maximum delivery capacity is included in Schedule 1 of the template OM Agreement, but it can be renominated daily to reflect the actual capacity on a particular Day.</p>

Part 5: Charges & Capacity (Tender Pack 1)

15A	Injection Charge (Optional)	<p>Please set out the commodity charges (in pence per kWh) (if any) payable in respect of the injection of gas into the facility.</p>
16A	Withdrawal Charge (Optional)	<p>Please set out the charges (in pence per kWh) (if any) payable in respect of withdrawal of gas from the facility.</p>
17A	Injection Overrun Charge (Optional)	<p>Please set out the charges (in pence per kWh) (if any) payable in respect of access to injection capacity above the contracted values, where the tenderer agrees to make such additional capacity available on the Day.</p>
18A	Withdrawal Overrun Charge (Optional)	<p>Please set out the charges (in pence per kWh) (if any) payable in respect of access to withdrawal capacity above the contracted values, where the tenderer agrees to make such additional capacity available on the Day.</p>
19A	Capacity Procurement Tranche Number	<p>Each tranche offered is assigned a tranche number. Each tenderer can offer up to 10</p>

		tranches per tender. <i>Tranches will be accepted in numerical order.</i>
20A	Storage Space	Please set out the quantity of storage space (in kWh) offered for each tender. The aggregate quantity of offers must equal or exceed 6,000,000 kWh.
21A	Storage Injection Capacity	Please set out the quantity of associated injection rights (in kWh/day).
22A	Annual Service Fee	<p>Please set out the Service Fee (in pence per kWh per annum) payable in respect of the storage space offered.</p> <p>For the purposes of the OM Agreement, the Annual Service Fee will be converted to a daily Service Fee, such that 80% of the annual charge shall be payable over the 7 month winter period and 20% shall be payable over the 5 month summer period.</p> <p>No Service Fee is payable on a day that the service is unavailable, irrespective of whether the unavailability is planned or unplanned.</p>
23A	Please tick if the tranche may <u>only</u> be accepted in full	This option allows the tenderer to stipulate if only the full tranche can be accepted by National Grid Gas as opposed to a partial sum of the tranche quantity tendered.

Part 5: Charge (Tender Pack 2)

21B	Annual Service Fee	<p>The Service Fee (in £ per annum) payable in respect of providing the service. In the case of partial tender acceptance (where allowed), the Annual Service Fee will be prorated.</p> <p>For the purposes of the OM Agreement, the Annual Service Fee will be converted to a daily Service Fee, such that 80% of the annual charge shall be payable over the 7 month winter period and 20% shall be payable over the 5 month summer period.</p> <p>No Service Fee is payable on a day that the service is unavailable, irrespective of whether the unavailability is planned or unplanned.</p>
22B	Fixed Delivery Charge	Please set out the fixed delivery charge (in pence per kWh). If a figure is entered here please leave box 23B blank.
23B	Indexed Delivery Charge	National Grid Gas recognises that utilisation of OM services may be difficult and/or inefficient

		<p>to factor into a Fixed Delivery Charge. Accordingly, National Grid Gas will consider linking service utilisation to known indices to manage risk as efficiently as possible.</p> <p>If you would like to pursue this option, please supply details of the indexation methodology that would be applicable to your tender offer. The Indexed Delivery Charge could be linked to electricity price references (e.g. day ahead index, System Buy Price) or gas price references (e.g. System Average Price). For more information in relation to Indexation Methodologies please refer to the Gas Indexation Methodologies Principles Document on our Gas Operating Margins website.</p> <p>If a figure is entered here please leave box 22B blank.</p>
24B	Overrun Delivery Price (LNG Only)	<p>Please set out the charges (in pence per kWh) (if any) payable in respect of access to delivery capacity above the contracted values, where the tenderer agrees to make such additional capacity available on the day.</p>

Part 6 Tenderer Signature and Acknowledgment (Both Tender Packs)

This part of the tender must be completed, signed and dated by an authorised signatory on behalf of the OM tenderer. Failure to complete this part of the Tender Pack will invalidate the OM tender.

9. Assessment of OM Tenders and Selection Factors

After Market Day, all OM tenders received will be opened, examined for completeness, and logged by an evaluation panel.

In general, any late submissions will not be accepted. However, National Grid Gas reserves the right to deal with late submissions in a manner which it feels most appropriate taking account of any particular circumstances.

Any submission that is regarded as non-compliant or unclear may be referred by National Grid Gas back to the tenderer for clarification. If necessary, technical parameters may be adjusted by a tenderer to ensure compliance, but price information may not be changed.

In assessing an OM tender, tendered volumes will be compared against the Safety Case OM volume requirement and reviewed with network analysis experts to identify the most appropriate OM configuration that represents lowest overall cost to National Grid Gas in terms of meeting its obligations under the Safety Case and TPD Section K of the Network Code.

The lowest overall cost of the tender offers submitted will be based on an assessment of:

- the availability/service fees;
- the quantity of availability/storage space/deliverability offered;
- the utilisation fees;
- delivery fees; and
- any associated commodity charges.

As part of that assessment – and to arrive at an overall lowest cost OM configuration – the following additional factors will be considered:

1. The facility has to meet the minimum availability threshold across each defined period as set out below;

Summer period (May – Sept)	Winter period (Oct – Apr)
Min 1836 hrs (50% out of a Max 3672 hrs)	Min 4579 hrs (90% out of a Max 5088 hrs)

2. The ability to access unused deliverability.
3. The quantity of minimum deliverability that would be available to National Grid Gas at the facility in question when other users in the facility are not utilising any part of that capacity.
4. The ability to deliver a physical service on the NTS on an hourly basis.
5. The ability to provide a maximum response time of 2 hours any time during day or night within periods of availability.
6. Location of the facility on the NTS.
7. The ease with which the service can be called upon to deliver against an OM event (generally there will be a trade-off between the magnitude of individual service offers and the number of calls the gas control room would need to make to providers in order to manage an OM event).

Under no circumstances will National Grid Gas be legally bound to accept any tender offer made by any party, nor to reimburse any cost or expenditure whatsoever or howsoever incurred by any party in responding to this notice or in negotiating the provision of any service.

10. Information and Links

A number of useful documents are available on the OM website including:

- the Documentation;
- the OM Statement that is published each year which includes the requirements for location, volumes and deliverability; and
- the Tender Information Report including the number and volume of tenders submitted and accepted through the tender.

<http://www2.nationalgrid.com/UK/Industry%20information/Gas%20transmission%20system%20operations/Balancing/Operating%20margins/>

Information on the current incentives in place for National Grid Gas, our performance under these incentives and consultations on potential future incentives can be found in the following section of our website:

<http://www.nationalgrid.com/uk/Gas/soincentives>

Details regarding quantities of OM space we have historically procured are available in the Procurement Guidelines reports that can be found on the link below:

<http://www2.nationalgrid.com/UK/Industry-information/Business-compliance/Procurement-and-System-Management-Documents/>