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12th May, 2016

Our Ref: 2016-May-Trafford-PARCA

Dear Industry Colleagues,

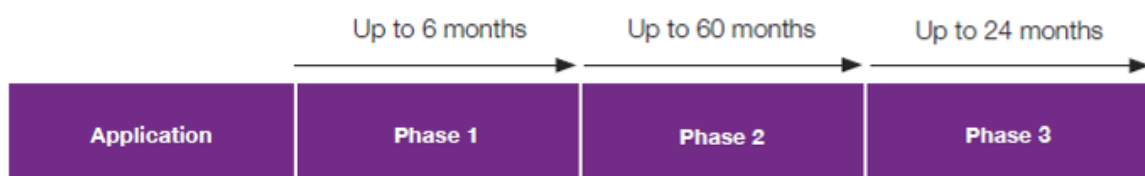
Trafford Power Station PARCA Exit Capacity Informal Notice (Exit Substitution & Baseline Revision)

This letter is intended to serve an informal notice of National Grid Gas plc's ("National Grid") recommendation to meet an additional NTS Exit Capacity requirement.

National Grid received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 30th October, 2015. The application achieved competency¹ on 11th November, 2015. The application requested firm Enduring Annual NTS Exit (Flat) Capacity² in excess of the prevailing baseline capacity level at the Trafford Power Station NTS offtake. The application is requesting:

- 28,000,000 kWh/d from 1st October, 2018 increasing to
- 56,000,000 kWh/d from 1st January, 2019 increasing to
- 84,000,000 kWh/d from 1st April, 2019

The PARCA application triggered Phase 1 of the PARCA process.



As part of the Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the Exit capacity being requested. The Phase 1 process identified that the Exit capacity request could be met by;

- Reserving **non-obligated** capacity up to the indicated values for the relevant dates in the 2018/19 Gas Year and,
- Reserving exit capacity at Trafford Power Station via the substitution of unsold exit capacity from 13 (thirteen) exit points in the vicinity of Trafford Power Station from 1st October, 2019.

¹ UNC TPD Section B, para 1.15.4

² Please note that this notice contains terminology relating to Exit Capacity which is used in the Licence and in the Uniform Network Code ("UNC"). Licence defined capacity terms are given in **bold italics**.

The Exit capacity will be available for reservation from 29th April, 2016.

The Exit Capacity will be available for allocation 1st October, 2016 and must be allocated by 1st April, 2018. Substitutable capacity is subject to capacity being allocated to a nominated User. The capacity will be registered, as requested by The PARCA Applicant, from 1st October, 2018.

If the Exit Capacity is not allocated by 1st April, 2018 National Grid has the right to terminate the PARCA. If the PARCA is terminated the proposed solution will not be progressed. Ofgem and other NTS users will be notified of allocation or termination with non-allocation.

Application for *Exit Capacity Release*

As part of the PARCA Phase 1 works National Grid completed network analysis to assess what impact the Exit capacity had on the existing network. Constraints were identified in the existing network which meant that options needed to be assessed in order to identify the most appropriate and robust solution to accommodate the Exit capacity.

In accordance with the Licence³, substitution⁴ of **Non-incremental Obligated Exit Capacity** has been assessed and identified as being able to meet the **Firm Enduring Annual NTS Exit (Flat) Capacity** requirements in excess of the prevailing baseline NTS Exit Capacity at the Trafford Power NTS Exit Point in full.

National Grid therefore proposes that from 1st October, 2019;

- all of the additional Baseline NTS Exit Capacity identified at the Trafford Power Station offtake can be met by substituting unsold NTS Baseline Exit Capacity from 13 (thirteen) NTS Exit Points (See table below).

Statement of proposed *Non-incremental Exit Capacity* substitution in accordance with Special Condition 5G paragraph 6 (formerly paragraph 4(a)(iv) of Special Condition C8E) of the Licence:

Recipient NTS Exit Point	Donor NTS Exit Points	Capacity Substituted from Donors (kWh/d)	Capacity substituted to Trafford PS (kWh/d)	Exchange Rate Donors : Recipient	Substitution effective date
Trafford Power Station	13 (see table below)	90,718,100	84,000,000	1.08 : 1	01/10/2019

³ Special Condition 5G (formerly paragraph 3(c)(i) of Special Condition C8E).

⁴ During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A.

Baseline Modification Proposal:

NTS Exit Point	Type	Recipient /Donor	Baseline at 2019/20 (kWh/d)	Proposed Baseline after substitution (kWh/d)	Remaining unsold capacity after substitution (kWh/d)
Trafford Power Station	DC	Recipient	0	84,000,000	0
Partington	GDN (NW)	Donor	87,630,000	54,702,858	0
Warburton	GDN (NW)	Donor	110,652,366	96,345,394	0
Holmes Chapel	GDN (NW)	Donor	22,199,592	18,387,106	0
Audley (NW)	GDN (NW)	Donor	12,140,000	8,037,574	1
Audley (WM)	GDN (WM)	Donor	21,830,000	15,330,891	0
Malpas	GDN (WM)	Donor	990,000	685,222	0
Ecclestone	GDN (NW)	Donor	21,140,000	16,370,887	0
Maelor	GDN (WN)	Donor	57,560,000	49,258,990	0
Shotwick (Bridgewater Paper)	DC	Donor	5,520,000	140,000	0
Shellstar (aka Kemira, not Kemira CHP)	DC	Donor	16,240,000	11,732,444	0
Weston Point	GDN (NW)	Donor	30,599,872	28,841,618	20,762,210
Weston Point (Rocksavage)	DC	Donor	40,767,358	37,584,503	37,584,503
Weston Point (Castner Kelner, aka ICI Runcorn)	DC	Donor	11,683,359	10,816,960	10,230,818

Appendix 1 provides additional information regarding the proposal to demonstrate that National Grid has determined its proposals for Exit capacity substitution in accordance with the Methodology. Substitution is subject to the capacity being allocated by 1st April, 2018 and the PARCA following through to completion. If for any reason the capacity is not allocated or the PARCA is terminated then substitution will not be required.

I would therefore be grateful if you could acknowledge receipt of this written proposal and the date on which it was received.

If you require any further information, please contact myself or Jon Dutton, Gas Network Capability Manager on 01926 655 048.

Yours sincerely,

Craig Dyke
Gas Network Development Manager
Network Capability & Operations, Gas
National Grid

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