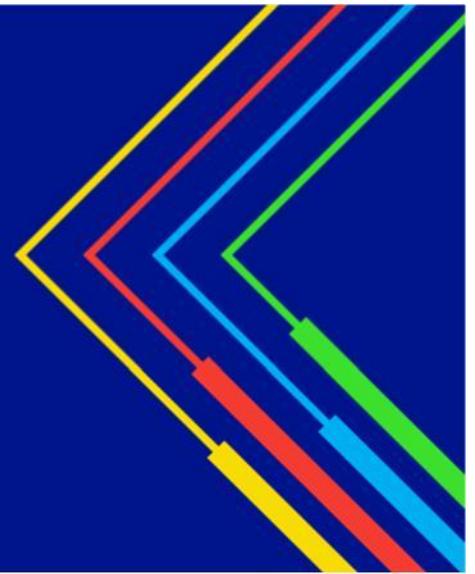


NTS Entry & Exit Capacity Frequently Asked Questions



How do I book Entry / Exit Capacity

To book Entry or Exit capacity for UK points, the Gemini system is required. A shipper will need to have an account set up before being able to participate in any UK auction; long or short-term. If you are not already a registered shipper, please contact: xoserve.customer.lifecycle.team@xoserve.com.

To book capacity for Interconnector Points (IPs), then the PRISMA system will be required. A shipper will need to ensure they are registered and set up before being able to participate in any IP auction. If you are not already a registered shipper with PRISMA, please visit their website where you will find information on how to register: <https://platform.prisma-capacity.eu/#/register>.

Why hasn't my bid been accepted? Why have I only partially received the amount of capacity I bid for?

The normal bidding process in the UK auctions is 'pay as bid', whereby there is a reserve price but the highest bid for capacity will be allocated as a priority until all capacity has been sold. If there are remaining bids that are of a lower value remaining after all available capacity has been sold, these bids will either be rejected or, at National Grids discretion, further capacity may be release.

In the event of partial allocation, if there isn't enough capacity to satisfy all bids, bids will be pro-rated between all the parties, with the highest bids allocated in full until all capacity is sold.

Is there an auctions calendar?

We do not have a published calendar online as specific auction dates are determined throughout the year. However, we do have documentation that outlines in

which months the long-term firm capacity auctions are run, and further information about the auctions themselves. You will also receive an auction invitation letter for all our long-term capacity auctions before the auctions open generally the month before, if you are registered as a shipper, outlining the specific dates of the auction and the processes involved and how to participate. Our short-term auction dates are also detailed within the documentation, however these run daily and so do not come with an invitation letter.

Please ensure that all your contact details are up to date so that National Grid can contact you via our ANS (Active Notification System) to notify you of upcoming auctions. If contact details do change and need to be updated these can be sent to: capacityauctions@nationalgrid.com.

For more auction information, please refer to our [Gas Transmission Capacity Guidelines](#) document.

Is there an IP auctions calendar?

The auction dates for all IP auctions are published via the [European Network of Transmission System Operators for Gas \(ENTSOG\)](#) website.

National Grid does not provide this data or send out any invitation letters for the IP auctions.

What Entry Daily Auctions are there and when, are they run?

There are 3 daily auctions for both entry and exit and can be broadly defined as within day auctions (WDDSEC and WDDNEX) Day ahead auctions (DADSEC and DADNEX) and finally Interruptible/Off-peak daily auctions (DISEC and DONEX). Please refer to our [Gas Transmission Capacity Guidelines](#) documentation for further information.

How is Off-peak / Interruptible capacity made available? How much can be made available and when?

The quantity of off-peak or interruptible capacity made available can change on a day by day basis. The quantity made available depends on how much firm capacity has already been sold, and how much of that sold firm capacity has been used (Use it or Lose it concept).

What is the process of application for enduring increase in Exit capacity?

Enduring capacity is that which remains until it is reduced or withdrawn. A customer can purchase an enduring increase of exit capacity in the EAFLEC (Enduring annual flat exit capacity) auction. This bid window allows for a capacity start date of Y+4 to Y+6 with an application period for the month of July and allocation before the 30th of September.

Are there any fees associated with the enduring increase application?

The fees associated with increasing your capacity within the annual enduring exit auctions is the amount of capacity you are now entitled to flow against. It is also worth noting that any increase may be subject to User Commitment.

The same applies to the decrease (or reduction) auction, where you are only decreasing the capacity and therefore payments you are liable for.

I am keen to find out more about how we may be able to book capacity (ideally long-term) on the National Grid network.

To book gas capacity on the National Grid Gas (NGG) transmission network you must first be registered as a shipper on the Gemini system, with contacts details provided for our emergency contact list.

If you wish to book capacity at any of the three Interconnection Points, you will require access to PRISMA. PRISMA is the European platform for capacity bookings.

Once the above is in place you shall be able to place bids in the capacity auctions. Please note that only those bidding at IPs will need access to PRISMA. These auctions run throughout the gas year, with several different auctions facilitating long- or short-term capacity, as described earlier. To find out more about the types of auctions please refer to [our Gas Transmission Capacity Guidelines](#) document.

Is it possible to book capacity monthly?

Monthly entry capacity can be purchased in the rolling monthly auctions that run every month. The bid window is in the month prior to the month that the capacity is for. There are two parts in this auction. The first part, Rolling Monthly (Trade Initiation) Surrender Process (RMTISSEC) is made up of a surrender of capacity, where customers may offer to surrender the capacity they hold, for one month, at a location, and at a price they choose. The second part, Rolling Monthly Transfer and Trade System Entry Capacity (RMTNTSEC) consists of shippers being invited to purchase capacity. Capacity is allocated at the lowest price first, therefore if there is surrendered capacity offered at a lower price than the reserve price, that will be allocated first.

There is also the Annual Monthly System Entry Capacity (AMSEC) auction which is held in February where a shipper can book long term strips of monthly capacity from April Y+1 to September Y+2. Please check out our [Gas Transmission Capacity Guidelines](#) document.

Exit capacity does not have the same provisions as Entry capacity and, is not offered monthly.

Interconnector Point monthly capacity can be booked via the IP Rolling Monthly auctions for both Exit (IPRMNEX) and Entry (IPRMSEC). These run every month selling capacity via PRISMA for the following month only.

Can I sell unwanted capacity I have purchased?

If you have capacity that you wish to surrender within the entry capacity regime you can do so through the Rolling Monthly Trade Initiation Surrender System Entry Capacity (RMTISSEC) auction which occurs each month. Please be aware that unless the surrendered capacity is taken up by another shipper, i.e. bid for, then the capacity will remain with the original holder/shipper.

Within the exit regime a customer can opt to decrease their capacity in the Enduring Annual Exit (flat) Capacity decrease (EAFLEC) auction window which runs from 1st to 15th July.

There is a further option to assign or transfer capacity to a second party, which is covered below under the "Assignments and transfers" section.

Reports and Results

Where can I find allocation results from an auction?

The results of an Entry capacity auction can be found in Gemini, by navigating to: [Deal>Bid Capture Reports>Bid Information](#). For an Exit auction, the file path is as follows: [Deal>Capture>Capture Requests](#).

Allocation results are also published on our Market Information Provision Initiative (MIPI) website, Report Explorer that will allow you to see an aggregate view of auctions results: <http://mip-prod-web.azurewebsites.net/>

You can also view the amount of capacity that has been sold and remains unsold via the Long-term Summary reports. These are accessed via the same link.

Please note if there was no capacity sold then the fields and prices will be blank in these reports. Furthermore, we cannot provide individual customers' sales as this is commercially sensitive information.

Overruns

How are overrun charges calculated?

If a shipper flows more gas onto or off of the network than they are entitled to (e.g. in excess of their capacity rights) they will be charged as per the Uniform Network Code Transportation Principle Document section B 2.12 for entry capacity and B3.13 for exit capacity. Please [click here](#) for more information.

These charges are a calculation based on the difference between the flow of physical gas and the capacity rights of the customer. It will also include the price paid for the capacity and a multiplier.

Currently, the system uses 8 times the highest price paid for both entry and exit capacity. However, as of 1 October 2020, this will change to 3 times the highest price paid on entry and, 6 times the highest price paid on exit.

Assignments and transfers

Can I assign my capacity at an NTS Exit Point to another user at the same location?

Shippers can assign all or some of their capacity rights at an NTS Exit Point to another shipper at the same location. The shipper must notify NGG no later than 5 days prior to the assignment. Both Users must match the assignment. An assignment is deemed to be approved if either it is approved by NGG, or if NGG does not approve, via the Gemini system within 4 days. The shippers' holdings are adjusted accordingly. The shipper being assigned the rights becomes liable for all associated payments and obligations.

Can Capacity be Transferred or Re-assigned?

Capacity can either be transferred or re-assigned.

Transferring capacity allows a customer to partially or fully give a second party capacity that they hold, however the transferring party retains the obligation to that capacity. For example, this party will be charged in the event of an overrun. The length of time this agreement is active for is decided by the users. For UK locations, this must be completed in Gemini, however across the Interconnection Points this is completed in PRISMA.

Assigning capacity via assignments allows a shipper to give all capacity rights and obligations to another party that they own at a single location. This arrangement is permanent and does not allow for customized lengths of time. It is also only applicable on Exit capacity.

Capacity Charges

How will the implementation of UNC Modification 0678A, as of 1st October 2020, affect the price of future capacity bookings?

NTS Exit (Flat) Capacity (AFLEC & EAFLEC) charges are normally updated on an annual basis for October, however as a result of the decision to implement UNC Modification 0678A with an implementation date of the 1st October 2020, National Grid is re-publishing these prices to reflect the revised charging methodology that will be effective from 1st October 2020.

Amendments to the Gas Transmission Charging Regime (Postage Stamp) has resulted in a number of changes to the way that the NTS Transportation Charges are calculated and has introduced the concepts of Transmission Services and General Non-Transmission Services, as mechanisms for collecting allowed Transmission Owner (TO) and System Operator (SO) revenues.

For more information regarding UNC Modification 0678A, please [click here](#).

Is capacity purchased prior to 6th April 2017 but transferred after this date, still classed as legacy capacity?

No – the transferred capacity would not be classed as legacy as it was traded post April 2017 and therefore, would be subject to additional charges such as the Revenue Recovery Charge (RRC).

This is covered in more detail under section 3.26 of the UNC Modification document, as detailed above.

Capacity Auctions

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The recently published Gas Transmission Charges do not include any indication of the Revenue Recovery Charge (RRC).

The Transmission RRC is the mechanism to manage the consequences of under or over recovery of revenues from the Transmission Services Capacity Charges. As such, at the time of setting the Reserve Prices, the Transmission Revenue Recovery Charge for both Entry and Exit is Zero.

Should this change within the Gas year, then the relevant Transmission Revenue recovery Charge at Entry or Exit would be formally notified to the industry in advance of any charge being applied.

What are my options should I want to reduce the amount of annual or enduring capacity that I hold?

National Grid is holding an Enduring Annual Exit (flat) Capacity (EAFLEC) auction from 1st July 2020 to 15th July 2020, whereby users can submit decrease requests subject to user commitment.

A capacity reduction can be carried out in Gemini, with the ability to decrease from 1st October 2020.