

Andrew Burgess
Deputy Director, Energy System Transition
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Steve Fisher
Commercial Operations Manager
– Gas
Steve.r.fisher@nationalgrid.com
Direct tel +44 (0)1926 653428

www.nationalgrid.com

19 October 2018

Dear Andrew,

Indicative Notice of Intention to Produce the Annual Yearly and Annual Quarterly Interconnection Point (IP) Reserve Prices.

Under the change introduced in Capacity Allocation Mechanism (CAM) effective from 1 November 2015, the Interconnection Points (IPs) have different auctions and auction timings. The next Annual Yearly and Annual Quarterly Auctions at the IPs will be held next year for capacity from 1 October 2019.

Therefore, I am writing to give indicative notice of our intention to revise both Entry and Exit Annual Yearly IP reserve prices for the Annual Yearly IP auction which is to be held in July 2019 and the Annual Quarterly IP reserve prices for the four Annual Quarterly IP auctions which commence in August 2019.

Reserve prices for the Annual Yearly and Annual Quarterly auctions are calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC) – [Charging Methodologies](#), Section B of the [European Interconnection Document](#) (EID) – Capacity and the [Entry Capacity Release](#) (ECR) Methodology Statement.

We will publish the notice of the reserve prices to apply at both the Entry Annual Yearly IP auction and Entry Annual Quarterly IP auction at least two months in advance of the July 2019 Entry Annual Yearly IP auction. The reserve prices for the Exit Capacity Annual Yearly and Annual Quarterly IP Auctions will be published by 1 May 2019.

Please be aware that UNC Modification 0621 ‘Amendments to Gas Transmission Charging Regime’ and its alternatives is currently sitting with Ofgem for a decision. There is a potential for the reserve prices associated with capacity allocated in the IP auctions to be impacted by the decision on UNC Modification 0621.

If you have any questions about this Indicative Notice please contact Karin Elmhirst on 01926 655540 or email at box.transmissioncapacityandcharging@nationalgrid.com.

Yours sincerely,

Steve Fisher
Commercial Operations Manager – Gas SO