

All Shippers & Interested Parties

28th May 2021

Dear Industry Participant

RE: Notice of NTS Annual Yearly (Entry and Exit) Interconnection Point (IP) Reserve Prices

The Annual Yearly Auctions for NTS Entry and Exit Capacity at Interconnection Points will be held during July 2021 for capacity from 1st October 2021 to 30th September 2036.

National Grid is publishing this Notice of change to NTS Transportation Charges to provide at least one month in advance of the next Annual Yearly Auctions, consistent with our Licence obligations.

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).

IP Entry Capacity Reserve Prices

The reserve prices for the Entry Capacity Annual Yearly IP Auction are detailed in Table 1 below. (These prices will apply to the Entry Annual Quarterly IP Auction.)

IP Exit Capacity Reserve Prices

The reserve prices for the Exit Capacity Annual Yearly IP Auction are detailed in Table 2 below. (These prices will apply to the Exit Annual Quarterly IP Auction.)

NTS large price steps for a Capacity Annual Yearly IP (Entry and Exit) auction will be the greater of 5% of the applicable reserve price and 0.0001 p/kWh/day.

The Transmission Services Entry and Exit revenues used to calculate the published rates can be found on the NTS Charging Supporting Information section here: <https://www.nationalgrid.com/uk/gas-transmission/charging/transmission-system-charges>. On Transmission Services Entry charges, in order to mitigate volatility in the revenues used to set prices and the impact on prices, National Grid has deferred £45m of Transmission Services Entry revenue from this Regulatory Year (Apr21 – Mar22) into the next Regulatory Year (Apr22-Mar23).

The suite of values to cover the transparency on the charges and values that underpin them, in accordance with the EU Tariff Code, is to be published before the end of August 2021. In the meantime, National Grid will be looking to host a webinar that will provide an opportunity for National Grid to talk through the charges, including the revenue values that underpin them along with an update on key changes to how specific inputs have been calculated. We will communicate more details on this in June. A short presentation is also available providing some context to the deferral is also available here.

Table 1 Reserve Prices Interconnection Points (IPs) for the Entry Annual Yearly and Entry Annual Quarterly auctions, Pence per kWh per day

EU Interconnector Points (IPs)	1 Oct 21 Pence per kWh per day
Bacton IP	0.0927

Table 2 Reserve Prices, Interconnection Points (IPs) for the Exit Annual Yearly and Exit Annual Quarterly auctions, Pence per kWh per day

Offtake Point	Type of Offtake	1 Oct 21 Pence per kWh per day
Bacton IUK	INTERCONNECTOR	0.0211
Bacton BBL	INTERCONNECTOR	0.0211
Moffat (Irish Interconnector)	INTERCONNECTOR – FIRM, EXIT ONLY	0.0211

If you have any questions or feedback relating to this notice, or NTS charges in general, please contact our charging team at box.NTSGasCharges@nationalgrid.com

Yours sincerely

Steve Fisher
Commercial Operations Manager