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29<sup>th</sup> June 2010

Dear Stuart,

## **Notice of MSEC and DSEC Reserve Prices for Capacity used from 1 October 2010**

National Grid is publishing this notice of revised transmission charges two months in advance of the RMTNTSEC auction of system entry capacity, consistent with our Licence and Uniform Network Code obligations.

Below is an update to Table 2 of the NTS Gas Transportation Charges Statement dated 1 April 2010. (The changes are shown in bold text.)

This change reflects the revised system entry capacity reserve prices. It should be noted that the system entry capacity (RMTNTSEC and DSEC), purchased during September 2010 for use from 1 October 2010, will be subject to the appropriate revised reserve prices. All prices have been calculated using the maximum available quantity of obligated NTS SO Baseline entry capacity levels as specified in the NTS Licence.

Our Transportation model has been updated to reflect changes in demand levels, the pipeline network, supply patterns, obligated entry capacity levels and the cost of investment through the expansion constant, all of which may affect the charges.

These changes will be discussed in more detail at the July Gas Transmission Charging Methodology Forum (TCMF). A more detailed description of the changes is available on our website<sup>1</sup> and a copy of National Grid's Transportation model will be sent out to parties that have signed the licence agreement. Details of how to obtain the model and other supporting charge setting information can also be found on our website in the same area.

The full Transportation Charges Statement can also be found on our website under Gas Charging/Methodology and Charging Statements.

The notice of actual exit capacity and commodity charges that shall apply from 1<sup>st</sup> October 2010 will be published by 1<sup>st</sup> August 2010, in line with the two months notice required by our licence and Network Code obligations.

If you have any questions relating to this notice, or NTS charges in general, please contact myself or the Charging and Revenue Team on 01926-654633.

Anne Bennett  
Charging & Revenue Manager

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<sup>1</sup> <http://www.nationalgrid.com/uk/Gas/Charges/Tools/>

**Table 2 Entry Capacity Reserve Prices for Capacity for use from 1 October 2010**

**MSEC Reserve Prices, Pence per kWh per day**

<b>Entry Point</b>	<b>from 1 Oct 09 to 30 Sep 10</b>	<b>from 1 Oct 10 to 30 Sep 11</b>	<b>Change</b>
<b>Coastal Terminals &amp; LNG Importation</b>			
Bacton	0.0089	<b>0.0091</b>	0.0002
Barrow	0.0044	<b>0.0061</b>	0.0017
Easington&Rough	0.0111	<b>0.0115</b>	0.0004
Isle of Grain	0.0001	<b>0.0032</b>	0.0031
Milford Haven	0.0199	<b>0.0207</b>	0.0008
St Fergus	0.0385	<b>0.0402</b>	0.0017
Teesside	0.0103	<b>0.0100</b>	-0.0003
Theddlethorpe	0.0091	<b>0.0107</b>	0.0016
<b>Onshore Fields and Connections</b>			
Burton Point	0.0001	<b>0.0001</b>	0.0000
Hatfield Moor	0.0045	<b>0.0047</b>	0.0002
Hole House Farm	0.0001	<b>0.0001</b>	0.0000
Wytch Farm	0.0001	<b>0.0001</b>	0.0000
<b>Storage</b>			
Barton Stacey	0.0001	<b>0.0001</b>	0.0000
Caythorpe	0.0070	<b>0.0071</b>	0.0001
Cheshire	0.0001	<b>0.0001</b>	0.0000
Fleetwood	0.0001	<b>0.0036</b>	0.0035
Garton	0.0120	<b>0.0109</b>	-0.0011
Glenmavis	0.0138	<b>0.0172</b>	0.0034
Hatfield Moor	0.0045	<b>0.0047</b>	0.0002
Hornsea	0.0110	<b>0.0110</b>	0.0000
Partington	0.0001	<b>0.0001</b>	0.0000
<b>Constrained LNG</b>			
Avonmouth	0.0001	<b>0.0001</b>	0.0000
Dynevor Arms	0.0001	<b>0.0001</b>	0.0000

**Table 2 continued**

Entry Point	DSEC		
	from 1 Oct 09 to 30 Sep 10	from 1 Oct 10 to 30 Sep 11	Change
<b>Coastal Terminals &amp; LNG Importation</b>			
Bacton	0.0059	<b>0.0061</b>	0.0002
Barrow	0.0029	<b>0.0041</b>	0.0012
Easington&Rough	0.0074	<b>0.0077</b>	0.0003
Isle of Grain	0.0001	<b>0.0021</b>	0.0020
Milford Haven	0.0133	<b>0.0138</b>	0.0005
St Fergus	0.0257	<b>0.0268</b>	0.0011
Teesside	0.0069	<b>0.0067</b>	-0.0002
Theddlethorpe	0.0061	<b>0.0071</b>	0.0010
<b>Onshore Fields and Connections</b>			
Burton Point	0.0001	<b>0.0001</b>	0.0000
Hatfield Moor	0.0030	<b>0.0031</b>	0.0001
Hole House Farm	0.0001	<b>0.0001</b>	0.0000
Wytch Farm	0.0001	<b>0.0001</b>	0.0000
<b>Storage</b>			
Barton Stacey	0.0001	<b>0.0001</b>	0.0000
Caythorpe	0.0047	<b>0.0047</b>	0.0000
Cheshire	0.0001	<b>0.0001</b>	0.0000
Fleetwood	0.0001	<b>0.0024</b>	0.0023
Garton	0.0080	<b>0.0073</b>	-0.0007
Glenmavis	0.0092	<b>0.0115</b>	0.0023
Hatfield Moor	0.0030	<b>0.0031</b>	0.0001
Hornsea	0.0073	<b>0.0073</b>	0.0000
Partington	0.0001	<b>0.0001</b>	0.0000
<b>Constrained LNG</b>			
Avonmouth	0.0001	<b>0.0001</b>	0.0000
Dynevor Arms	0.0001	<b>0.0001</b>	0.0000