

AMSEC 2009 Prices

Gas TCMF

5th February 2009

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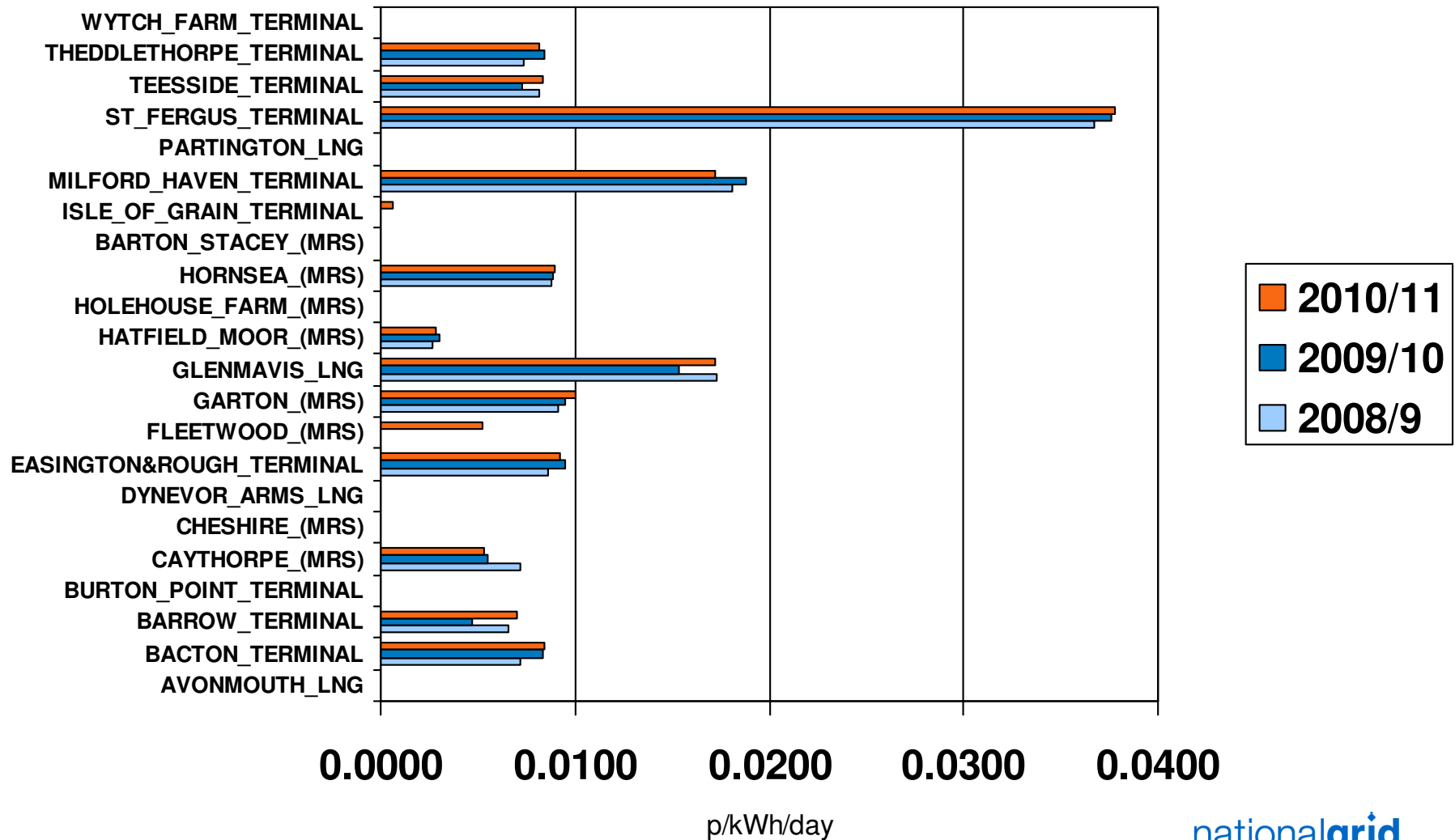
Introduction

The following presentation seeks to explain the NTS Entry Capacity price variation across the three gas years covered by the 2009 AMSEC i.e. gas years 2008/9, 2009/10 and 2010/11.

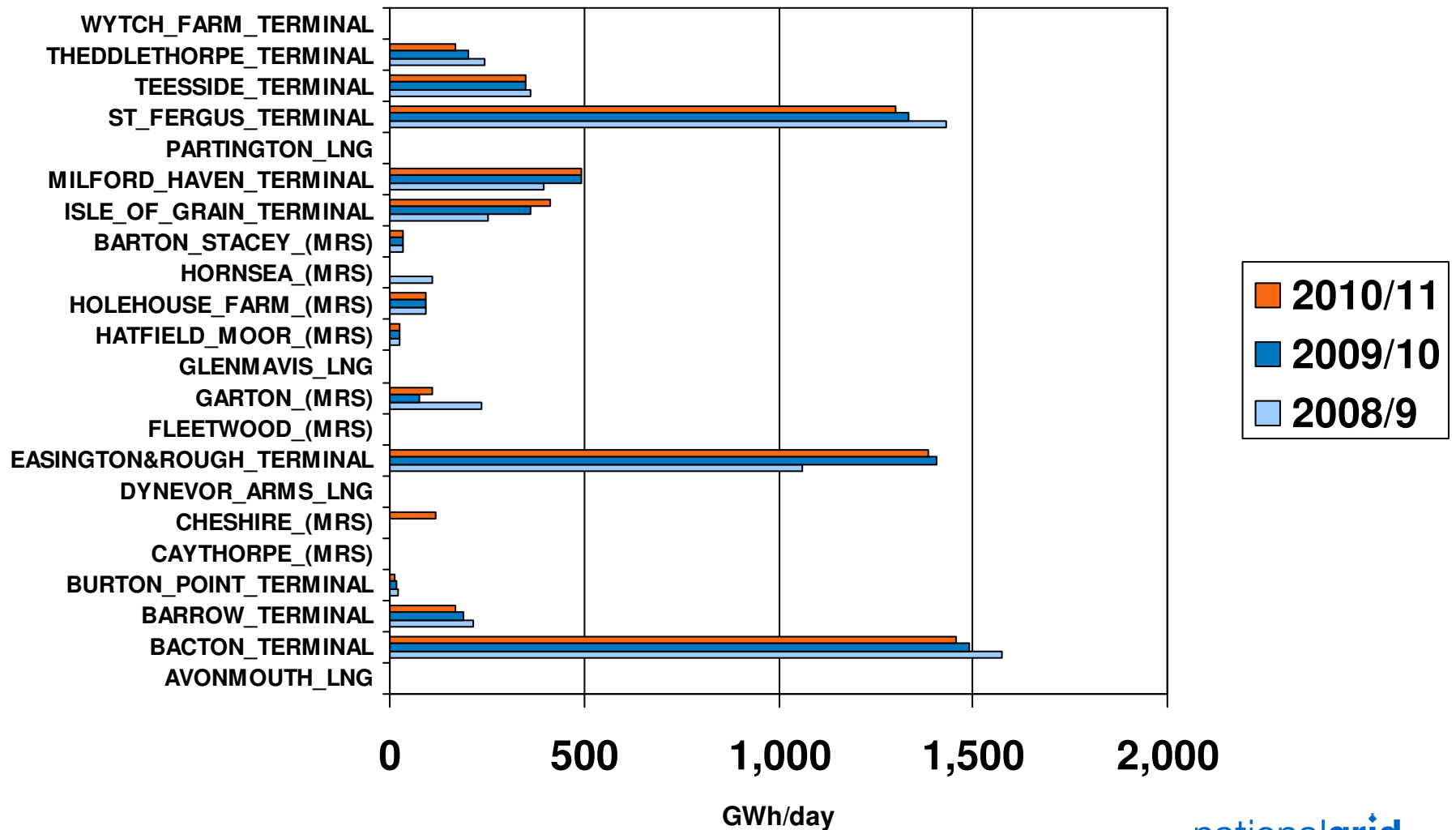
The key price drivers are changes in

- ◆ the level of obligated entry capacity.
- ◆ the level of supplies within the Transportation Model
 - At storage sites this is influenced by the rules used for obtaining a supply and demand balance.
- ◆ There is a secondary effect whereby the effective location of the NBP can influence prices
 - this is a result of the model calculating marginal costs (LRMCs) such that the average entry and exit LRMCs are equal

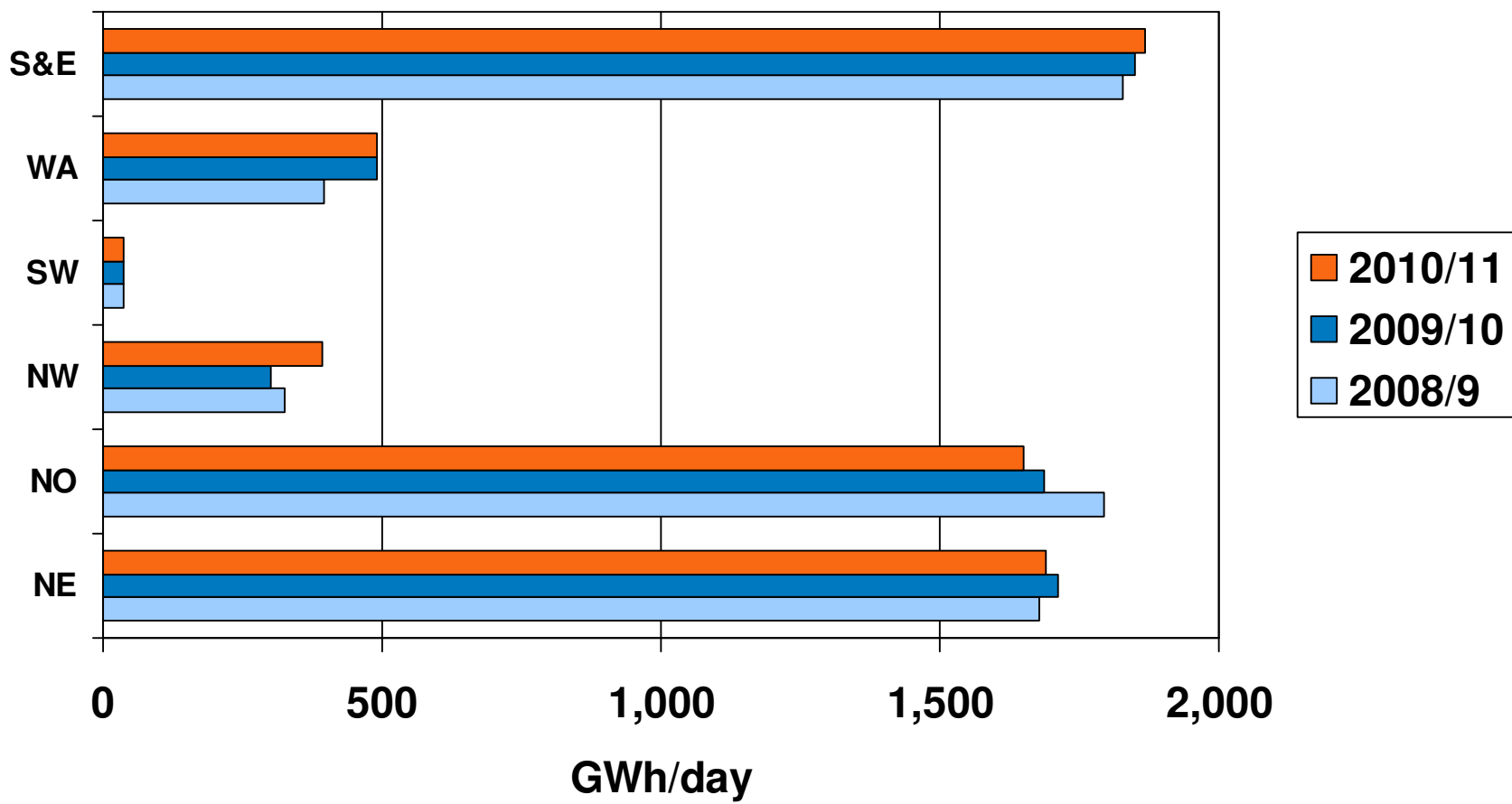
2009 AMSEC Prices



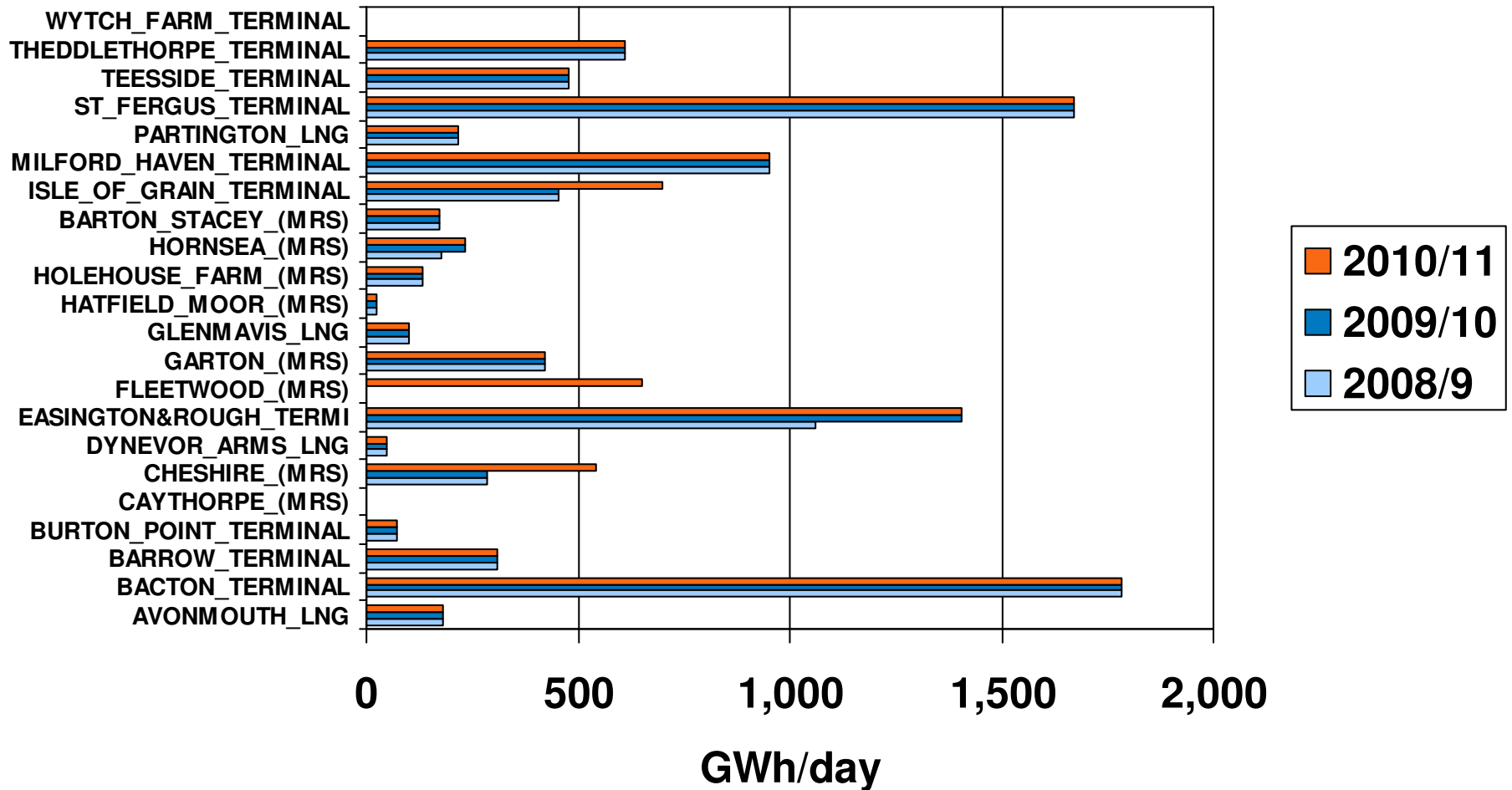
Base Flows for 2009 AMSEC Transportation Models by ASEP



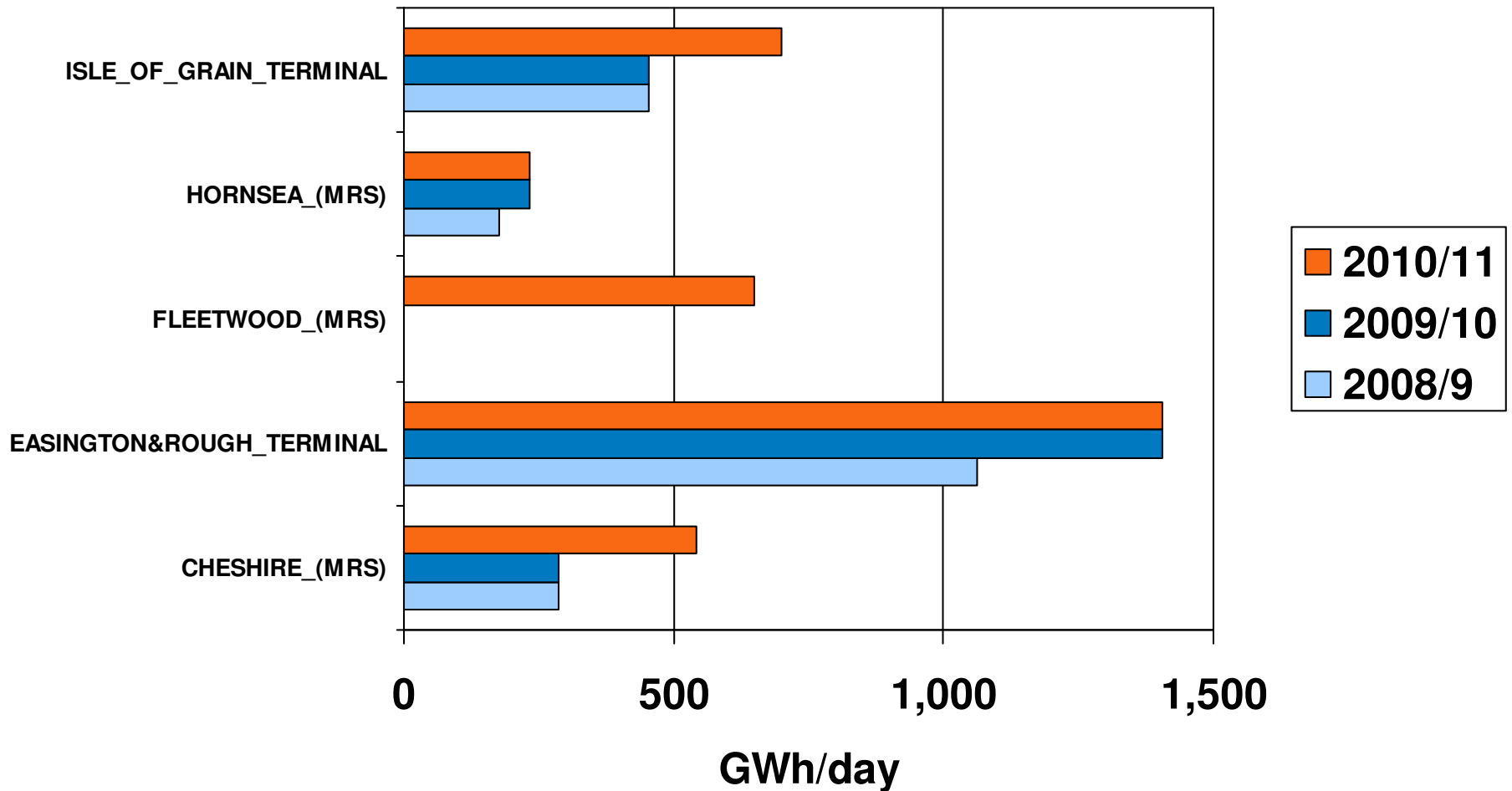
Base Flows for 2009 AMSEC Transportation Models by Area



Obligated Capacity by ASEP



Obligated Capacity by ASEP (Incremental)



Price Variation – North East Entry Points

Entry Point	2008/9	2009/10	2010/11	Price Range	Range as a % of Maximum	Price Variation Driver
CAYTHORPE_(MRS)	0.0072	0.0055	0.0053	0.0019	26%	Hornsea only flowing within the model in 8/9
EASINGTON&ROUGH*	0.0086	0.0095	0.0092	0.0009	9%	Easington flows increase then fall
GARTON_(MRS)	0.0091	0.0095	0.0100	0.0009	9%	Influenced by northern flows
HATFIELD_MOOR_(MRS)	0.0027	0.0030	0.0028	0.0003	10%	Easington flows increase then fall
HORNSEA_(MRS)*	0.0088	0.0089	0.0090	0.0002	2%	-
THEDDLETHORPE	0.0074	0.0084	0.0082	0.0010	12%	Easington flows increase then fall

*** Incremental Obligated Entry Capacity Released within the period covered by the AMSEC.**

Price Variation – Northern Triangle

Entry Point	2008/9	2009/10	2010/11	Price Range	Range as a % of Maximum	Price Variation Driver
GLENMAVIS_LNG	0.0173	0.0153	0.0172	0.0020	12%	Cheshire starts flowing in 2010
ST_FERGUS	0.0367	0.0376	0.0378	0.0011	3%	NBP Moving South
TEESSIDE	0.0082	0.0073	0.0083	0.0010	12%	Cheshire starts flowing in 2010
BARROW	0.0066	0.0047	0.0070	0.0023	33%	Cheshire starts flowing in 2010
BURTON_POINT	0.0001	0.0001	0.0001	0.0000	0%	-
CHESHIRE_(MRS)*	0.0001	0.0001	0.0001	0.0000	0%	-
FLEETWOOD_(MRS)*	0.0001	0.0001	0.0052	0.0051	98%	Fleetwood incremental obligated capacity from 2010
HOLEHOUSE_FARM_(MRS)	0.0001	0.0001	0.0001	0.0000	0%	-
PARTINGTON_LNG	0.0001	0.0001	0.0001	0.0000	0%	-

*** Incremental Obligated Entry Capacity Released within the period covered by the AMSEC.**

Price Variation S, SE, SW, Wales

Entry Point	2008/9	2009/10	2010/11	Price Range	Range as a % of Maximum	Price Variation Driver
BACTON_TERMINAL	0.0072	0.0083	0.0084	0.0012	14%	Increasing S&E (Bacton & Grain) Flows
ISLE_OF_GRAIN*	0.0001	0.0001	0.0006	0.0005	83%	Increasing S&E (Bacton & Grain) Flows - incremental obligated capacity from 2010
AVONMOUTH_LNG	0.0001	0.0001	0.0001	0.0000	0%	-
BARTON_STACEY_(MRS)	0.0001	0.0001	0.0001	0.0000	0%	-
WYTCH_FARM	0.0001	0.0001	0.0001	0.0000	0%	-
DYNEVOR_ARMS_LNG	0.0001	0.0001	0.0001	0.0000	0%	-
MILFORD_HAVEN	0.0181	0.0188	0.0172	0.0016	9%	NBP Moving South

*** Incremental Obligated Entry Capacity Released within the period covered by the AMSEC.**