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Dear Natasha,

### **Notice of NTS Annual Quarterly (Entry and Exit) Interconnection Point (IP) Reserve Prices**

The Annual Quarterly Auctions for Entry and Exit Capacity for Interconnection Points (IPs) will be first held in August 2018 for capacity from 1 October 2018 to 30 September 2019.

National Grid is publishing this Notice of NTS transportation charges at least one month in advance of the Annual Quarterly Auctions, consistent with our Licence obligations.

Reserve prices for the Annual Quarterly Auctions are calculated in accordance with the arrangements set out in Section Y of the Uniform Network Code (UNC) – Charging Methodologies<sup>1</sup>, Section B of the European Interconnection Document (EID) – Capacity<sup>2</sup> and the Entry Capacity Release (ECR) Methodology Statement<sup>3</sup>.

Entry reserve prices at IPs and final Exit reserve prices at IPs are set using a Transportation Model which includes:

- The supply and demand forecast for 2018/19<sup>4</sup> taken from the 2017 Gas Ten Year Statement and the balancing rules in accordance with Section Y of the UNC.
- The pipeline network expected in 2018/19.
- The latest expansion constant for the investment costs.

The reserve prices for the Entry Annual Quarterly IP Auction are detailed in Table 1.

The final Exit prices for capacity from 1 October 2018 are detailed in Table 2<sup>5</sup>.

NTS large price steps for an Auction (Annual Quarterly IP (Entry and Exit)) will be the greater of 5% of the applicable reserve price and 0.0001 p/kWh/day.

<sup>1</sup> [http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20Y%20-%20Charging%20Methodologies\\_18.pdf](http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20Y%20-%20Charging%20Methodologies_18.pdf)

<sup>2</sup> [http://www.gasgovernance.co.uk/sites/default/files/EID%20Section%20B%20-%20Capacity\\_1.pdf](http://www.gasgovernance.co.uk/sites/default/files/EID%20Section%20B%20-%20Capacity_1.pdf)

<sup>3</sup> <https://www.nationalgrid.com/uk/gas/charging-and-methodologies/methodologies>

<sup>4</sup> Different years are modelled for the reserve prices for the Annual Quarterly Auction compared to the QSEC Auction, hence the prices may be different.

<sup>5</sup> These prices are applicable for Exit Annual Yearly IP Capacity Auctions, Exit Annual Quarterly IP Capacity Auctions, Exit Rolling Monthly IP Capacity Auctions, Exit Rolling Day Ahead IP Capacity Auctions and Within Day IP Capacity Auctions for Capacity from 1 October 2018.

If you have any questions or feedback relating to this notice, or NTS charges in general, please contact Karin Elmhirst on 01926 655540 or email at [box.transmissioncapacityandcharging@nationalgrid.com](mailto:box.transmissioncapacityandcharging@nationalgrid.com).

Yours sincerely

Chris Logue  
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Table 1 – **Entry** Reserve Price for Interconnection Points for Annual Quarterly Auctions

<b>EU Interconnector Points (IPs)</b>	<b>from 1 Oct 18 to 30 Sep 19 Pence per kWh per day</b>
Bacton IP	<b>0.0089</b>

Table 2 – **Exit** Reserve Price for Interconnection Points for Annual Quarterly Auctions

<b>Offtake Point</b>	<b>Type of Offtake</b>	<b>from 1 Oct 18 to 30 Sep 19 Pence per kWh per day</b>
Bacton IUK	INTERCONNECTOR	<b>0.0001</b>
Bacton BBL	INTERCONNECTOR	<b>0.0001</b>
Moffat (Irish Interconnector)	INTERCONNECTOR – FIRM, EXIT ONLY	<b>0.0001</b>