

David O'Neill
Head of Gas Systems
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Steve Fisher
Commercial Operations Manager

steve.r.fisher@nationalgrid.com
Mobile tel +44(0)7769 281040

www.nationalgrid.com

28th May 2021

Dear David,

RE: 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) are due to be held during August 2021 for capacity from 1st October 2021 to 30th September 2022.

National Grid is publishing this Notice of NTS Transportation Charges providing at least one months' notice in advance of the Annual Quarterly Auctions, consistent with our Licence obligations.

Capacity 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).

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

Final Exit prices for Capacity auctions applicable from 1st October 2021 are detailed in Table 2, and will apply to the following:

- 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,
- Within Day IP Capacity Auctions for Exit Capacity.

NTS large price steps for Capacity in the Annual Quarterly IP (Entry and Exit) auction will be the greater of 5% of the applicable capacity 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.

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

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

| EU Interconnector Points (IPs) | From 1 Oct 2021 to 30 Sep 2022 Pence per kWh per day |
|---------------------------------------|---|
| Bacton IP | 0.0927 |

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

| Offtake Point | Type of Offtake | From 1 Oct 2021 to 30 Sep 2022 Pence per kWh per day |
|-------------------------------|----------------------------------|---|
| Bacton IUK | Interconnector | 0.0211 |
| Bacton BBL | Interconnector | 0.0211 |
| Moffat (Irish Interconnector) | Interconnector – Firm, Exit only | 0.0211 |