# Procurement Guidelines Report

Produced by National Grid Gas Transmission

For the Period

01 April 2019 – 31 March 2020

nationalgrid

# Contents

# 1.0 Executive Summary

National Grid has been given discretion by Ofgem with regard to the procurement of System Management Services, subject to an obligation under National Grid's Gas Transporter (GT) Licence to operate the system in an efficient, economic and co-ordinated manner, and taking into account the (System Operator) SO incentives.

National Grid confirms that System Management Services during the period covered by this report has been procured in accordance with the principles set out in the prevailing Procurement Guidelines, and therefore National Grid considers that such activities satisfy the relevant Licence obligations.

# 2.0 INTRODUCTION

## 2.1 Purpose of the document

This Procurement Guidelines Report ("Report") is published in accordance with Special Licence Condition 8a.8 of National Grid's GT Licence, and provides information in respect of the procurement of System Management Services referred to in the Procurement Guidelines.

The Procurement Guidelines set out the types of System Management Services which National Grid may be interested in purchasing, together with the mechanisms by which National Grid envisages purchasing such services.

This Report, which has been developed in consultation with Ofgem, covers each of the services detailed in Table 1 of the Procurement Guidelines, and identifies contractual and market-related information for each of the services.

Terms used within this report shall have the same meaning given to them in National Grid's GT Licence and the Uniform Network Code as the case may be.

Further copies of this Report may be obtained from

https://www.nationalgridgas.com/about-us/how-were-regulated/gas-industry-compliance

Or from:

Steven Fisher
Commercial Operations Manager
Gas Operations, GSO
National Grid
Warwick
CV34 6DA
E-mail: incentives@nationalgrid.com

## 2.2 Reporting Period

The report includes details of System Management Services procured in relation to the gas flow period 1 April 2019 to 31 March 2020 inclusive.

This reporting period covers the last month of the Storage Year 2018/2019 (April 2019) and the majority of Storage Year 2019/2020 (May 2019 to March 2020).

# 3.0 Procurement of System Management Services

## 3.1 Definition of System Management Services

Special Condition 8a.8 Part K of National Grid's GT Licence defines the System Management Services as the "services in relation to the balancing of gas inputs to and gas off takes from the National Transmission System (NTS) and includes balancing trades and balancing trade derivatives and constraint management services".

Table 1 summarises the System Management Services required for the following applications; These are: -

1. Operating Margins Gas
2. Constrained Storage
3. Shrinkage
4. Entry Capacity Management
5. Exit Capacity Management
6. Gas Balancing
7. OCM Collateralisation Costs

## 3.2 System Management Services Procured

The services National Grid procured in this period are summarised in Table 1.

| Table 1 - Services Procured | |
|---|---|
| **1. Operating Margins (OM)**<br><br>The purpose of an OM system management service is to ensure operational balancing capability in the event of a supply failure, demand forecast change or plant failure. In addition, a quantity of OM is held in reserve to manage the orderly run-down of the system in an emergency. | |
| **Service Component** | **Component Description and Details** |
| **Holdings Contracts (Capacity and Deliverability Arrangements)** | National Grid (OM) procured this service at the following facilities:<br>Aldbrough storage facility<br>Hill Top Farm storage facility<br>Holford storage facility<br>Hornsea storage facility<br>Humbly Grove storage facility<br>Stublach storage facility<br>Dragon LNG<br>Grain LNG importation terminal<br>Power Stations |

<table>
<tr><th>Service Component</th><th>Component Description and Details</th></tr>
<tr><td>Holdings Contracts (Capacity Arrangements)</td><td>For the period 1 April 2019 – 31 March 2020, National Grid procured OM as follows:
<table>
<tr><th>Month</th><th>Contract Type</th><th>Space (kWh)</th><th>Average Unit cost (p/kWh/annum)</th></tr>
<tr><td>Apr-19</td><td>Capacity Contracts</td><td>270,103,520</td><td>1.3746</td></tr>
<tr><td>May-19 to Mar-20</td><td>Capacity Contracts</td><td>289,885,813</td><td>1.0677</td></tr>
</table></td></tr>
<tr><td>Holdings Contracts (Delivery Arrangements)</td><td>For the period 1 April 2019 – 31 March 2020, National Grid procured OM as follows:
<table>
<tr><th>Month</th><th>Contract Type</th><th>OM Deliverability (kWh/d)</th><th>Average Price (p/kWh/d/annum)</th></tr>
<tr><td>Apr-19</td><td>Delivery Contracts</td><td>405,777,206</td><td>1.6797</td></tr>
<tr><td>May-19 to Mar-20</td><td>Delivery Contracts</td><td>767,957,432</td><td>1.2488</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Service Component</th><th>Component Description and Details</th></tr>
<tr><td>Gas Procurement</td><td>National Grid (OM) utilises this service to address an Operating Margins gas deficit at a given storage facility where National Grid holds Operating Margins Capacity Arrangements. National Grid (OM) may source required gas by injecting gas that has been withdrawn from storage facilities with an Operating Margins gas surplus, or through a market tender process or through our trading desk.<br><br>For the period 1 April 2019 – 31 March 2020, National Grid (OM) procured this service as follows:
<table>
<tr><th>Month</th><th>In-store quantity (kWh)</th><th>NBP quantity (kWh)</th><th>In-store weighted average price (p/kWh)</th><th>NBP weighted average price (p/kWh)</th></tr>
<tr><td>April-19</td><td>0</td><td>17,584,260</td><td>N/A</td><td>1.1674</td></tr>
<tr><td>May-19</td><td>0</td><td>26,376,290</td><td>N/A</td><td>1.1228</td></tr>
</table></td></tr>
<tr><td>Gas Disposal</td><td>For the period 1 April 2019 – 31 March 2020, National Grid (OM) procured this service as follows:
<table>
<tr><th>Month</th><th>In-store quantity (kWh)</th><th>NBP quantity (kWh)</th><th>In-store weighted average price (p/kWh)</th><th>NBP weighted average price (p/kWh)</th></tr>
<tr><td>Jun-19</td><td>0</td><td>24,178,358</td><td>N/A</td><td>0.9129</td></tr>
</table></td></tr>
<tr><td>OM Transfer between Storage Facilities</td><td>National Grid (OM) utilises this service to address a gas-in-store surplus or deficit by transferring OM gas between Storage Facilities.<br><br>For the period 1 April 2019 – 31 March 2020, National Grid transferred 17,695,840 kWh of OM Gas between Storage Facilities.</td></tr>
<tr><td>OM Utilisation</td><td>National Grid (OM) utilises Operating Margins services to ensure Operational Balancing capability in the event of a supply failure, demand forecast change or plant failure.<br><br>For the period 1 April 2019 – 31 March 2020, there was no OM service utilisation.</td></tr>
</table>

| Table 1 - Services Procured | |
|---|---|
| **2. Constrained Storage**<br><br>The purpose of a Constrained Storage service is to economically meet 1 in 20 capacity obligations at the network extremities. | |
| | ***For the period 1 April 2019 – 31 March 2020, no constrained services were procured.*** |

## Table 1 - Services Procured

### 3. Shrinkage

The NTS Shrinkage Provider manages the risk exposure associated with the shrinkage account. Shrinkage covers gas for own use (running of compressors, vented gas, gas used for preheating) and to cover any gas losses (unidentified theft, meter errors, leakage) and CV shrinkage associated with variations in calorific value of gas. The account is subject to normal cash-out arrangements if the daily gas quantities delivered to the system do not match the Daily Shrinkage Quantities.
National Grid manages this service by trading gas at the beach or at the National Balancing Point (NBP), following the approval of Network Code Modification Proposals 0579 (Feb 2003) and 0599 (April 2004).

**Service Component:** NBP Trades

**Component Description and Details**

***For 1 April 2019 – 31 March 2020, National Grid procured NTS shrinkage via NBP trades as follows:***

| Month | Total Quantity Purchased (kWh) | Purchase Cost (£) | Weighted Average Purchase Price (p/kWh) | Total Quantity Sold (kWh) | Sell Revenue (£) | Weighted Average Sell Price (p/kWh) |
|---|---|---|---|---|---|---|
| Apr-19 | 226,602,497 | 3,591,014 | 1.5847 | 0 | 0 | 0 |
| May-19 | 189,939,315 | 3,133,155 | 1.6496 | 439,607 | 4,463 | 1.0151 |
| Jun-19 | 212,007,561 | 3,269,082 | 1.5420 | 5,861,420 | 55,800 | 0.9520 |
| Jul-19 | 315,109,939 | 3,916,527 | 1.2429 | 0 | 0 | 0 |
| Aug-19 | 251,015,312 | 3,216,742 | 1.2815 | 1,436,048 | 15,337 | 1.0680 |
| Sep-19 | 148,000,855 | 2,186,195 | 1.4772 | 21,013,191 | 185,446 | 0.8825 |
| Oct-19 | 263,470,829 | 4,632,423 | 1.7582 | 151,693,550 | 1,400,521 | 0.9233 |
| Nov-19 | 398,576,560 | 6,528,369 | 1.6379 | 53,866,450 | 631,996 | 1.1733 |
| Dec-19 | 735,080,682 | 10,096,579 | 1.3735 | 12,396,903 | 143,692 | 1.1591 |
| Jan-20 | 541,536,594 | 8,128,167 | 1.5009 | 8,205,988 | 81,126 | 0.9886 |
| Feb-20 | 410,973,463 | 6,581,615 | 1.6015 | 1,641,198 | 13,095 | 0.7979 |
| Mar-20 | 531,748,022 | 7,754,570 | 1.4583 | 7,385,389 | 56,779 | 0.7688 |

| Service Component | Component Description and Details |
|---|---|
| **Imbalance Cash-out** | ***From 1 April 2019 – 31 March 2020, National Grid's imbalance cash-out for the NTS shrinkage account was as follows:*** |

| Month | Total Quantity Purchased (kWh) | Purchase Cost (£) | Weighted Average Purchase Price (p/kWh) | Total Quantity Sold (kWh) | Sell Revenue (£) | Weighted Average Sell Price (p/kWh) |
|---|---|---|---|---|---|---|
| Apr-19 | 12,010,869 | £143,408 | 1.1940 | 439,795 | £5,617 | 1.2773 |
| May-19 | 4,527,447 | £52,389 | 1.1571 | 3,902,466 | £41,725 | 1.0692 |
| Jun-19 | 11,379,950 | £112,451 | 0.9882 | 771,741 | £7,083 | 0.9178 |
| Jul-19 | 13,784,076 | £142,015 | 1.0303 | 3,102,677 | £30,946 | 0.9974 |
| Aug-19 | 7,295,290 | £74,296 | 1.0184 | 2,718,501 | £24,101 | 0.8866 |
| Sep-19 | 8,000,355 | £70,161 | 0.8770 | 1,448,399 | £12,280 | 0.8479 |
| Oct-19 | 4,169,988 | £39,663 | 0.9512 | 2,389,747 | £20,221 | 0.8462 |
| Nov-19 | 4,722,691 | £65,191 | 1.3804 | 4,149,718 | £50,943 | 1.2276 |
| Dec-19 | 10,155,453 | £119,448 | 1.1762 | 3,463,657 | £36,337 | 1.0491 |
| Jan-20 | 9,945,514 | £100,817 | 1.0137 | 4,168,905 | £38,651 | 0.9271 |
| Feb-20 | 11,539,502 | £99,141 | 0.8591 | 1,198,364 | £8,715 | 0.7273 |
| Mar-20 | 11,484,545 | £94,188 | 0.8201 | 4,082,567 | £31,105 | 0.7619 |

## Table 1 - Services Procured

### 4. Entry Capacity Management

The purpose of an entry capacity management service is to enable National Grid to efficiently manage firm NTS entry capacity rights. Entry capacity holdings may need to be reduced to either efficiently manage capacity risk exposure or to reduce holdings, and thereby manage flows onto the system. National Grid may buyback firm NTS entry capacity from Users via the Gemini entry capacity system or it may enter into Capacity Management Agreements (CMAs). National Grid may develop further services or enter into contracts that will enable it to better manage both its operational and commercial risks.

**Service Component**

**Buybacks on Gemini**

**Component Description and Details**

***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:***

| Month | ASEP | No. of days on which offers accepted | No. of offers accepted | Quantity accepted (kWh) | Weighted average price (p/kWh) |
|---|---|---|---|---|---|
| Apr-19 | None | 0 | 0 | 0 | 0 |
| May-19 | None | 0 | 0 | 0 | 0 |
| Jun-19 | None | 0 | 0 | 0 | 0 |
| Jul-19 | None | 0 | 0 | 0 | 0 |
| Aug-19 | None | 0 | 0 | 0 | 0 |
| Sep-19 | None | 0 | 0 | 0 | 0 |
| Oct-19 | None | 0 | 0 | 0 | 0 |
| Nov-19 | None | 0 | 0 | 0 | 0 |
| Dec-19 | None | 0 | 0 | 0 | 0 |
| Jan-20 | None | 0 | 0 | 0 | 0 |
| Feb-20 | None | 0 | 0 | 0 | 0 |
| Mar-20 | None | 0 | 0 | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Options Agreements** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Period | ASEP | Total Quantity Accepted (kWh) | Cost of Option (£) |
|---|---|---|---|
| Apr-19 | None | 0 | 0 |
| May-19 | None | 0 | 0 |
| Jun-19 | None | 0 | 0 |
| Jul-19 | None | 0 | 0 |
| Aug-19 | None | 0 | 0 |
| Sep-19 | None | 0 | 0 |
| Oct-19 | None | 0 | 0 |
| Nov-19 | None | 0 | 0 |
| Dec-19 | None | 0 | 0 |
| Jan-20 | None | 0 | 0 |
| Feb-20 | None | 0 | 0 |
| Mar-20 | None | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Forwards Agreements** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Month | ASEP | Quantity utilised (kWh) | Total Cost of Forward Buybacks (£) |
|---|---|---|---|
| Apr-19 | None | 0 | 0 |
| May-19 | None | 0 | 0 |
| Jun-19 | None | 0 | 0 |
| Jul-19 | None | 0 | 0 |
| Aug-19 | None | 0 | 0 |
| Sep-19 | None | 0 | 0 |
| Oct-19 | None | 0 | 0 |
| Nov-19 | None | 0 | 0 |
| Dec-19 | None | 0 | 0 |
| Jan-20 | None | 0 | 0 |
| Feb-20 | None | 0 | 0 |
| Mar-20 | None | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Options Utilisation** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Month | ASEP | Quantity utilised (kWh) | Total Cost of utilisation (exercise) (£) | No. of days on which option exercised |
|---|---|---|---|---|
| Apr-19 | None | 0 | 0 | 0 |
| May-19 | None | 0 | 0 | 0 |
| Jun-19 | None | 0 | 0 | 0 |
| Jul-19 | None | 0 | 0 | 0 |
| Aug-19 | None | 0 | 0 | 0 |
| Sep-19 | None | 0 | 0 | 0 |
| Oct-19 | None | 0 | 0 | 0 |
| Nov-19 | None | 0 | 0 | 0 |
| Dec-19 | None | 0 | 0 | 0 |
| Jan-20 | None | 0 | 0 | 0 |
| Feb-20 | None | 0 | 0 | 0 |
| Mar-20 | None | 0 | 0 | 0 |

<table>
<tr><th>Service Component</th><th>Component Description and Details</th></tr>
<tr><td>Flow Management Agreements</td><td>For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:<br><br>
<table>
<tr><th>Month</th><th>Total Cost (£)</th></tr>
<tr><td>Apr-19</td><td>0</td></tr>
<tr><td>May-19</td><td>0</td></tr>
<tr><td>Jun-19</td><td>£170,657.86</td></tr>
<tr><td>Jul-19</td><td>£172,580.65</td></tr>
<tr><td>Aug-19</td><td>£172,251.93</td></tr>
<tr><td>Sep-19</td><td>£172,500.00</td></tr>
<tr><td>Oct-19</td><td>0</td></tr>
<tr><td>Nov-19</td><td>0</td></tr>
<tr><td>Dec-19</td><td>0</td></tr>
<tr><td>Jan-20</td><td>0</td></tr>
<tr><td>Feb-20</td><td>0</td></tr>
<tr><td>Mar-20</td><td>0</td></tr>
</table>
<br>Costs shown are for a turn down agreement at an ASEP.</td></tr>
</table>

## Table 1 - Services Procured

**5. Exit Capacity Management**

The purpose of an exit capacity management service is to enable the system to accommodate gas flows in accordance with Users' firm NTS exit capacity rights. In the event of desired exit flows exceeding capability, National Grid may procure a range of demand/supply side services in order to achieve the desired changes in gas flows. National Grid may buyback firm NTS exit capacity from Users via the Gemini exit capacity system or it may enter into Capacity Management Agreements (CMAs), to manage NTS exit constraints and/or Network Gas Supply Emergencies. National Grid may develop further services or enter into contracts that will enable it to better manage both its operational and commercial risks.

**Service Component**

**Buybacks on Gemini**

**Component Description and Details**

***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:***

| Month | Exit Point | No. of days on which offers accepted | No. of offers accepted | Quantity accepted (kWh) | Weighted average price (p/kWh) |
|---|---|---|---|---|---|
| Apr-19 | None | 0 | 0 | 0 | 0 |
| May-19 | None | 0 | 0 | 0 | 0 |
| Jun-19 | None | 0 | 0 | 0 | 0 |
| Jul-19 | None | 0 | 0 | 0 | 0 |
| Aug-19 | None | 0 | 0 | 0 | 0 |
| Sep-19 | None | 0 | 0 | 0 | 0 |
| Oct-19 | None | 0 | 0 | 0 | 0 |
| Nov-19 | None | 0 | 0 | 0 | 0 |
| Dec-19 | None | 0 | 0 | 0 | 0 |
| Jan-20 | None | 0 | 0 | 0 | 0 |
| Feb-20 | None | 0 | 0 | 0 | 0 |
| Mar-20 | None | 0 | 0 | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Options Agreements** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Period | Exit Point | Total Quantity Accepted (kWh) | Cost of Option (£) |
|---|---|---|---|
| Apr-19 | None | 0 | 0 |
| May-19 | None | 0 | 0 |
| Jun-19 | None | 0 | 0 |
| Jul-19 | None | 0 | 0 |
| Aug-19 | None | 0 | 0 |
| Sep-19 | None | 0 | 0 |
| Oct-19 | None | 0 | 0 |
| Nov-19 | None | 0 | 0 |
| Dec-19 | None | 0 | 0 |
| Jan-20 | None | 0 | 0 |
| Feb-20 | None | 0 | 0 |
| Mar-20 | None | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Forwards Agreements** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Month | Exit Point | Quantity utilised (kWh) | Total Cost of Forward Buybacks (£) |
|---|---|---|---|
| Apr-19 | None | 0 | 0 |
| May-19 | None | 0 | 0 |
| Jun-19 | None | 0 | 0 |
| Jul-19 | None | 0 | 0 |
| Aug-19 | None | 0 | 0 |
| Sep-19 | None | 0 | 0 |
| Oct-19 | None | 0 | 0 |
| Nov-19 | None | 0 | 0 |
| Dec-19 | None | 0 | 0 |
| Jan-20 | None | 0 | 0 |
| Feb-20 | None | 0 | 0 |
| Mar-20 | None | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **CMAs – Options Utilisation** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Month | Exit Point | Quantity utilised (kWh) | Total Cost of utilisation (option+exercise) (£) | No. of days on which option exercised |
|---|---|---|---|---|
| Apr-19 | None | 0 | 0 | 0 |
| May-19 | None | 0 | 0 | 0 |
| Jun-19 | None | 0 | 0 | 0 |
| Jul-19 | None | 0 | 0 | 0 |
| Aug-19 | None | 0 | 0 | 0 |
| Sep-19 | None | 0 | 0 | 0 |
| Oct-19 | None | 0 | 0 | 0 |
| Nov-19 | None | 0 | 0 | 0 |
| Dec-19 | None | 0 | 0 | 0 |
| Jan-20 | None | 0 | 0 | 0 |
| Feb-20 | None | 0 | 0 | 0 |
| Mar-20 | None | 0 | 0 | 0 |

| Service Component | Component Description and Details |
|---|---|
| **Flow Management Agreements** | ***For the period 1 April 2019 – 31 March 2020, National Grid procured these services as follows:*** |

| Month | Total Cost (£) |
|---|---|
| Apr-19 | 0 |
| May-19 | 0 |
| Jun-19 | 0 |
| Jul-19 | 0 |
| Aug-19 | 0 |
| Sep-19 | 0 |
| Oct-19 | 0 |
| Nov-19 | 0 |
| Dec-19 | 0 |
| Jan-20 | 0 |
| Feb-20 | 0 |
| Mar-20 | 0 |

| Table 1 - Services Procured | |
|---|---|
| **6. Gas Balancing**<br><br>The purpose of a gas balancing system management service is to enable National Grid, acting in its role as residual system balancer, to balance the gas inputs to and offtakes from the NTS, within acceptable levels. In order to achieve the desired gas flows, National Grid may carry out 'prompt' or 'forwards' gas trades or enter into forwards/options energy contracts. | |
| **Service Component** | **Component Description and Details** |
| **OCM trades** | National Grid trades on the ICE Endex On-the-day Commodity Market (OCM) day ahead and/or within day to resolve imbalances. OCM trades are deployed to achieve both national system balance and to meet localised requirements. For national system requirements, National Grid trades in all three OCM markets i.e. physical, title and locational. For localised requirements, National Grid only trades in the locational market.<br><br>***During the period 1 April 2019 – 31 March 2020, National Grid carried out the following OCM trades:*** |

| Service Component | Component Description and Details |
|---|---|
| **OCM 'Title' trades to address a National Requirement** | |

**National 'NBP Title' Trades**

| Month | No of Days on Which Trades Accepted | Number of Trade Buys | Number of Trade Sells | Quantity Purchased (kWh) | Quantity Sold (kWh) | Purchase Cost (£) | Sell Revenue (£) |
|---|---|---|---|---|---|---|---|
| Apr-19 | 22 | 114 | 84 | 282,422,700 | 160,300,300 | £3,527,282.50 | £1,808,941.70 |
| May-19 | 20 | 136 | 50 | 306,038,500 | 123,235,800 | £3,568,013.80 | £1,327,470.50 |
| Jun-19 | 17 | 108 | 141 | 282,627,800 | 365,986,300 | £2,859,040.50 | £3,545,550.90 |
| Jul-19 | 19 | 13 | 178 | 33,109,000 | 348,377,000 | £332,176.50 | £3,554,766.00 |
| Aug-19 | 15 | 26 | 112 | 60,065,000 | 215,735,900 | £595,400.00 | £2,033,260.90 |
| Sep-19 | 16 | 49 | 81 | 108,497,900 | 147,379,000 | £985,272.00 | £1,236,780.40 |
| Oct-19 | 22 | 337 | 0 | 794,762,500 | 0 | £7,795,690.20 | 0 |
| Nov-19 | 21 | 249 | 42 | 559,717,900 | 85,145,800 | £7,728,263.50 | £856,940.00 |
| Dec-19 | 18 | 122 | 114 | 279,023,900 | 257,840,000 | £3,356,193.60 | £2,731,208.50 |
| Jan-20 | 14 | 149 | 59 | 365,429,600 | 162,761,500 | £3,672,887.60 | £1,431,811.90 |
| Feb-20 | 18 | 126 | 31 | 289,132,400 | 73,044,900 | £2,472,299.00 | £556,363.00 |
| Mar-20 | 19 | 103 | 140 | 256,082,000 | 343,806,200 | £2,064,987.20 | £2,571,663.50 |

<table>
<tr><th>Service Component</th><th>Component Description and Details</th></tr>
<tr><td>OCM ‘Physical’ trades to address a National Requirement</td><td>
<table>
<tr><th colspan="10">National ‘Physical’ Trades</th></tr>
<tr><th>Month</th><th>No. of days on which trades accepted</th><th>No. of Trade buys</th><th>No. of Trade sells</th><th>Quantity Purchased (kWh)</th><th>Quantity Sold (kWh)</th><th>Purchase cost (£)</th><th>Sell revenue (£)</th><th>Weighted Average Purchase Price (p/kWh)</th><th>Weighted Average Sell Price (p/kWh)</th></tr>
<tr><td colspan="10">No OCM Physical trades were conducted in this period to address a National Requirement.</td></tr>
</table>
</td></tr>
<tr><td>OCM ‘Locational’ trades to address a National Requirement</td><td>
<table>
<tr><th colspan="10">National ‘Locational’ Trades</th></tr>
<tr><th>Month</th><th>No. of days on which trades accepted</th><th>No. of Trade buys</th><th>No. of Trade sells</th><th>Quantity Purchased (kWh)</th><th>Quantity Sold (kWh)</th><th>Purchase cost (£)</th><th>Sell revenue (£)</th><th>Weighted Average Purchase Price (p/kWh)</th><th>Weighted Average Sell Price (p/kWh)</th></tr>
<tr><td colspan="10">No locational trades were conducted in this period to address a National Requirement.</td></tr>
</table>
</td></tr>
<tr><td>Gas Demand Side Response Trades</td><td>
<table>
<tr><th colspan="10">Demand Side Response Trades</th></tr>
<tr><th>Month</th><th>No. of days on which trades accepted</th><th>No. of Trade buys</th><th>No. of Trade sells</th><th>Quantity Purchased (kWh)</th><th>Quantity Sold (kWh)</th><th>Purchase cost (£)</th><th>Sell revenue (£)</th><th>Weighted Average Purchase Price (p/kWh)</th><th>Weighted Average Sell Price (p/kWh)</th></tr>
<tr><td colspan="10">No OCM Gas Demand Side Response ‘Locational’ trades to address a National Requirement.</td></tr>
</table>
</td></tr>
</table>

| Service Component | Component Description and Details |
|---|---|
| **OCM 'Locational' trades to address a Localised Requirement** | |

**'Locational' Trades**

| Month | No. of days on which trades accepted | No. of Trade buys | No. of Trade sells | Quantity Purchased (kWh) | Quantity Sold (kWh) | Purchase cost (£) | Sell revenue (£) | Weighted Average Purchase Price (p/kWh) | Weighted Average Sell Price (p/kWh) |
|---|---|---|---|---|---|---|---|---|---|
| Jan 20 | 1 | 0 | 4 | 0 | 52,740,000 | 0 | 379,800,00 | N/A | 0.7201 |

| Table 1 - Services Procured |
| --- |
| **7. OCM Collateralisation Costs**<br><br>National Grid, in its role as the residual system balancer, incurs costs from its clearing member relating to provision of security / collateral in order to utilise the OCM for system balancing purposes. These are recovered from Users through the balancing neutrality charge.<br><br>For the period 1 April 2019 to 31 March 2020, National Grid incurred costs of £68,182.06. |