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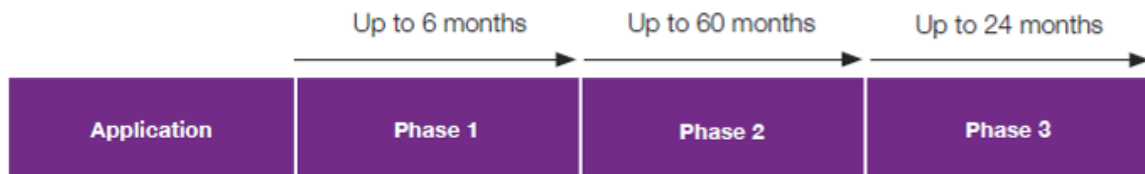
Dear Andy,

PARCA Exit Capacity Notice (Exit Substitution & Baseline Revision)

National Grid Gas plc ("National Grid") received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 27th March 2015. The application requested Firm Enduring Annual NTS Exit (Flat) Capacity¹ in excess of the prevailing baseline capacity level at the Trafford Power Station NTS offtake. The application requested:

- 84,000,000 kWh/d at Trafford Power Station on 1st October 2018

The PARCA application triggered Phase 1 of the PARCA process.



As part of the Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the Exit capacity being requested. The Phase 1 process identified that the Exit capacity request could be met by substitution of unsold capacity.

The Exit capacity will be available for reservation from 1st October 2015. Capacity will be reserved as long as no objections are raised by the Authority within 28 days of receipt of this notice and a signed PARCA contract has been received from Wainstones Energy Ltd.

The Exit capacity must be allocated to a nominated User by 1st October 2016. Substitutable capacity is subject to capacity being allocated to a nominated User. The capacity will be registered, as requested by Wainstones Energy Ltd, from 1st October 2015. As a developer, Wainstones Energy Ltd will identify a shipper prior to allocation.

Ofgem has the right to veto capacity being made available via substitution. This notice signifies the end of PARCA Phase 1 and gives Ofgem an opportunity to veto the capacity substitution being proposed to meet the incremental capacity request in this location.

If the Exit capacity is not allocated to a nominated User by 1st October 2016 National Grid has the right to terminate the PARCA unless demonstration information is provided to support a delay. If the PARCA is terminated for any other reason than capacity being allocated, the proposed solution will not be progressed. Ofgem and other NTS users will be notified of allocation or termination with non-allocation.

¹ Please note that this notice contains terminology relating to **Exit Capacity** which is used in the Licence and in the Uniform Network Code ("UNC"). Licence defined capacity terms are given in ***bold italics***.

Application for *Exit Capacity Release*

As part of the PARCA Phase 1 works National Grid completed network analysis to assess what impact the Exit capacity had on the existing network. Constraints were identified in the existing network which meant that options needed to be assessed in order to identify the most appropriate and robust solution to accommodate the Exit capacity.

In accordance with the Licence⁴, substitution⁵ of ***Non-incremental Obligated Exit Capacity*** has been assessed and identified as being able to meet the ***Firm Enduring Annual NTS Exit (Flat) Capacity*** requirements in excess of the prevailing baseline NTS Exit Capacity at the Trafford Power NTS Exit Point in full.

National Grid therefore proposes that;

- all of the additional Baseline NTS Exit Capacity identified at the Trafford Power Station offtake can be met by substituting unsold NTS Baseline Exit Capacity from 13 NTS Exit Points (See table below).

Statement of proposed *Non-incremental Exit Capacity* substitution in accordance with Special Condition 5G paragraph 6 (formerly paragraph 4(a)(iv) of Special Condition C8E) of the Licence:

Recipient NTS Exit Point	Donor NTS Exit Points	Capacity Substituted from Donors (kWh/d)	Exchange Rate Recipient: Donors	Substitution effective date
Trafford Power Station	13 (See table)	86.393549	1 : 1.02849463	1/10/2018

Baseline Modification Proposal:

NTS Exit Point	Type	Recipient /Donor	Current Baseline (kWh/d)	Proposed Baseline (kWh/d)	Remaining unsold capacity (kWh/d)
Trafford Power Station	DC	Recipient	0	84,000,000	0
Partington	GDN (NW)	Donor	87,630,000	55,607,944	0
Warburton	GDN (NW)	Donor	110,620,000	96,345,394	0
Holmes Chapel	GDN (NW)	Donor	22,190,000	18,387,106	0
Audley (NW)	GDN (NW)	Donor	12,140,000	8,037,574	0
Audley (WM)	GDN (WM)	Donor	21,830,000	15,330,890	0
Malpas	GDN (WM)	Donor	990,000	685,222	0
Maelor	GDN (WN)	Donor	57,560,000	49,258,990	0
Ecclestone	GDN (NW)	Donor	21,140,000	16,370,887	0
Shotwick (Bridgewater Paper)	DC	Donor	5,520,000	140,000	0
Shellstar (aka Kemira, not Kemira CHP)	DC	Donor	16,240,000	11,732,444	0
Weston Point	GDN (NW)	Donor	30,640,000	29,900,000	20,451,829
Weston Point (Rocksavage)	DC	Donor	38,190,000	36,860,000	36,860,000
Weston Point (Castner Kelner, aka ICI Runcorn)	DC	Donor	11,700,000	11,340,000	10,753,858

⁴ Special Condition 5G (formerly paragraph 3(c)(i) of Special Condition C8E).

⁵ During May 2013, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A (formerly paragraphs 4(b) and 4(c) of Special Condition C8E) of the Licence in respect of the NTS.

To assist the Authority's consideration of the proposal, Appendix 1 provides additional information regarding the proposal to demonstrate that National Grid has determined its proposals for Exit capacity substitution in accordance with the Methodology. Substitution is subject to the capacity being allocated to a nominated User on 1st October 2016 and the PARCA following through to completion. If for any reason the capacity is not allocated or the PARCA is terminated then substitution will not be required.

Please note, the Authority is deemed to have given its consent to this Proposal to substitute baseline NTS Exit Capacity if the Authority has not objected to the Proposal within 28 days of receipt, or notified the licensee that it should suspend the implementation within 7 days of receipt⁶.

I would therefore be grateful if you could acknowledge receipt of this written proposal and the date on which it was received.

If you require any further information, please contact myself or Eddie Blackburn, Gas Network Capability Manager on 01926 656022.

Yours sincerely,

Craig Dyke
Gas Network Capability Manager
Transmission Network Service
National Grid

⁶ in accordance with Special Condition 5G paragraph 9 (formerly paragraph 4(a) of Special Condition C8E) of the Licence