

NI NETWORK GAS BALANCING CONTRACTS

5TH JULY 2018



Balancing Gas Tender GY18/19

- Balancing services (contracts) were adopted by NI as Interim Measures under the EU Balancing Network Code
- The NI TSOs have joint balancing arrangements in place and use Balancing Gas contracts the tools to balance the NI Network
- The Balancing Gas contracts are tendered annually
- GMO NI and PTL are administering the tender process on behalf of the NI TSOs

Balancing Buys and Sells – Last 12 Months

- Balancing Buys

| Period | No. of Buys | Total Volume (kWh) | Avg Price (£/kWh) | Total Cost of Buys |
|-----------------|-------------|--------------------|-------------------|--------------------|
| Jun 17 – May 18 | 40 | 85,000,000 | £0.02010 | £1,708,840 |

- Balancing Sells

| Period | No. of Sells | Total Volume (kWh) | Avg Price (£/kWh) | Total Cost of Sells |
|-----------------|--------------|--------------------|-------------------|---------------------|
| Jun 17 – May 18 | 33 | 41,000,000 | £0.01543 | £632,595 |

Tender Lots

- The Transporter is tendering for 3 lots and 4 contracts:
- **Lot 1 Primary Balancing Buy**
 - Lot 1A - NIBP Primary Balancing Gas Buy (with physical delivery via the Moffat IP)
 - Lot 1B - Locational (Moffat) Primary Balancing Gas Buy for a non-NI Shipper
- **Lot 2 Secondary Balancing Buy**
 - NIBP Secondary Balancing Gas Buy (with physical delivery via South North IP)
 - Note: It is expected that the Secondary Balancing Contract will only be utilised if the Balancing Buy Quantity cannot be fully sourced via the Moffat IP
- **Lot 3 Balancing Sell**
 - Non-Locational Balancing Gas Sell

Lot 1A - NIBP Primary Balancing Gas Buy (with physical delivery via the Moffat IP)

- Contract Type: NIBP Primary Balancing Gas Buy (with physical delivery via the Moffat IP)
- Transaction: Purchase of gas by the Transporter
- Contracting TSO: PTL
- Transaction Point: Trading Point (NIBP)
- Minimum Quantity: 5,000,000kWh
- Price Structure: Contract Purchase Quantity x (Daily Capacity Charges + GB OCM Price + GB OCM Transaction Fee + NTS Commodity Charge + X)

plus Annual Management Fee (if applicable)

Lot 1B - Locational (Moffat) Primary Balancing Gas Buy for a non-NI Shipper

- Contract Type: Locational (Moffat) Primary Balancing Gas Buy for a non-NI Shipper
- Transaction: Purchase of gas by the Transporter
- Contracting TSO: PTL
- Transaction Point: Moffat IP
- Minimum Quantity: 5,000,000kWh
- Price Structure: Contract Purchase Quantity x (Daily Capacity Charges + GB OCM Price + GB OCM Transaction Fee + NTS Commodity Charge + X)

plus Annual Management Fee (if applicable)

Lot 2 - NIBP Secondary Balancing Gas Buy (with physical delivery via South North IP)

- Contract Type: NIBP Primary Balancing Gas Buy (with physical delivery via the South North IP)
- Transaction: Purchase of gas by the Transporter
- Contracting TSO: GNI(UK)
- Transaction Point: Trading Point (NIBP)
- Minimum Quantity: 5,000,000kWh
- Price Structure: Contract Purchase Quantity x (Daily Capacity Charges + GB OCM Price or IBP Price + GB OCM Transaction Fee or IBP Transaction Fee + ROI Exit Commodity Charge + ROI Entry Commodity Charge (if applicable) + NTS Commodity Charge (if applicable) + X)

plus Annual Management Fee (if applicable)

Lot 3 - Non-Locational Balancing Gas Sell

- Contract Type: Non-Locational Balancing Gas Sell
- Transaction: Purchase of gas by the Transporter
- Contracting TSOs: PTL and GNI(UK)
- Transaction Point: Trading Point (NIBP)
- Minimum Quantity: 2,000,000kWh
- Price Structure: Contract Purchase Quantity x (SMP Sell - X)
plus Annual Management Fee (if applicable)

Tender Documentation

- The tender documents are available on the Mutual Energy website:
- <http://www.mutual-energy.com/procurement/>
- Please note, verbal queries will not be accepted
- Queries in relation to the tender must be submitted to mutualtenders@mutual-energy.com no later than 12 noon on Monday 23rd July
- Final date for submission of tenders 12 noon on Monday 30th July