

Interruption Auction – June 2008

Summary of Results - NGN

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Results of June 2008 Bids – Northern Gas Networks

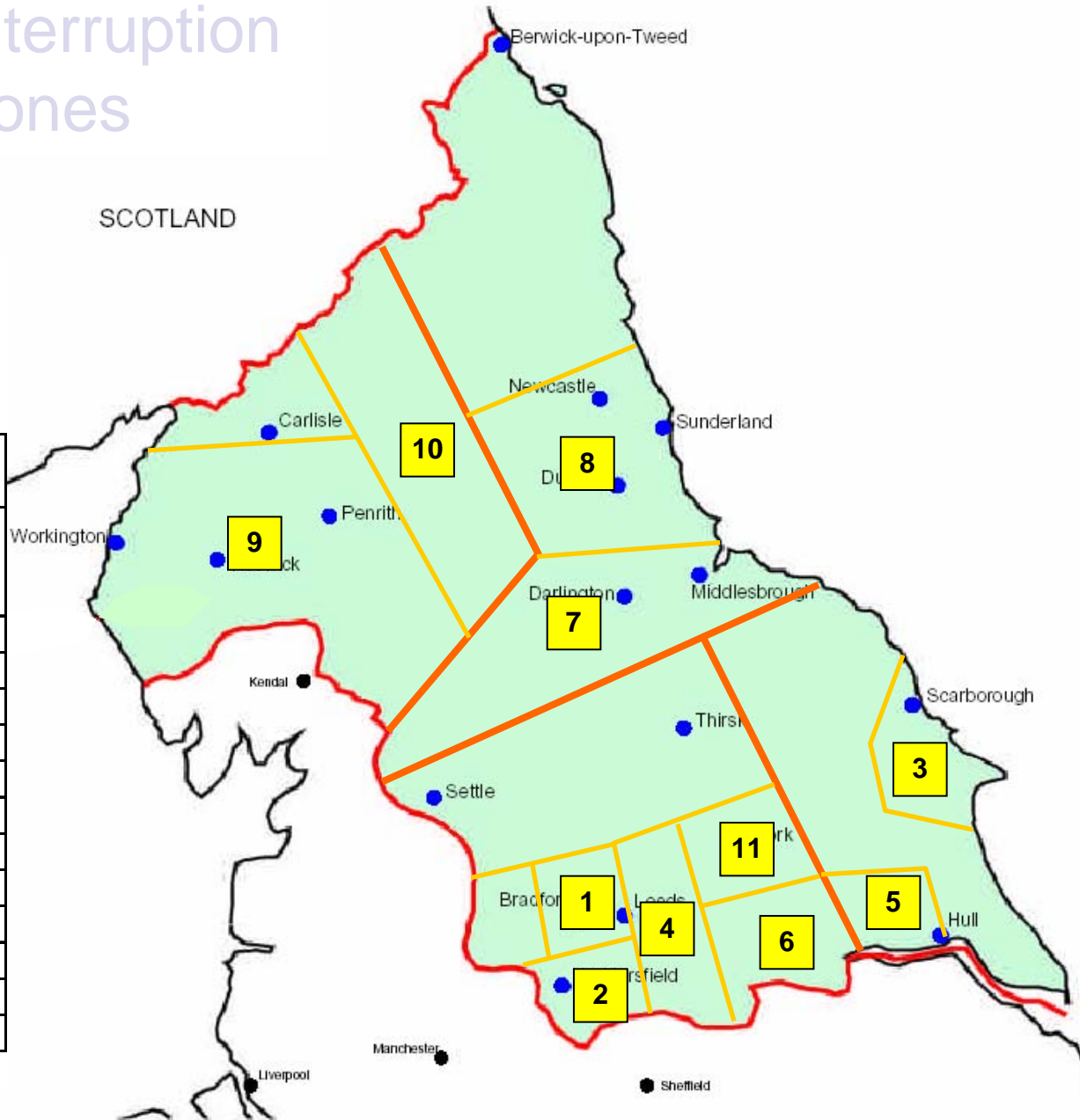
- 51 valid offers received.
- 42 of the offers were for 5 years, one was for 3 years, one was for 2 years and seven were for 1 year
- No offers were accepted. Reasons for rejection were :-
 - Insufficient offers were received to fully address a constraint (volume or duration) OR
 - Where fully effective for a constraint, the offer (or offers) were not economic OR
 - Where partially effective, a combined solution (partial reinforcement) was not possible / economic

Next Steps – Ad-Hoc Auction 13 to 24 October 2008

- Rationale for holding an ad-hoc auction
 - New interruption regime – desire to ensure maximum opportunity for interested shippers / end users to bid at a price that is economic to them. Strongly encourage eligible sites to consider if making an offer would be beneficial for them.
 - Sufficient time exists before 30 September 2011 to design, plan and construct reinforcements if required.
 - Once reinforcements are constructed, no requirement for interruption for that constraint in the foreseeable future.
- Updated Volume / Duration requirements
 - Taken the opportunity to use the latest Demand Forecasts
 - System constraints in 11 of the 16 zones
 - Requirements are still indicative – confirmed figures to be published in September
- Keen to discuss further with shippers / end users

NGN Interruption Zones and Indicative Requirements 2011 / 12 - 2015 / 16

| Zone ID | Interruption Required due to System Capacity Constraints | |
|--------------|--|-----------------------------------|
| | Max No. Int. Days Requ'd by NGN | Min Int. Req'd Peak Day (GWh/Day) |
| GT3080001 | 76 | 0.2 |
| GT3080002 | 65 | 0.3 |
| GT3080003 | 19 | 0.2 |
| GT3080004 | 45 | 0.4 |
| GT3080005 | 59 | 0.1 |
| GT3080006 | 117 | 0.1 |
| GT3080007 | 46 | 0.2 |
| GT3080008 | 49 | 0.1 |
| GT3080009 | 21 | 3.5 |
| GT3080010 | 89 | 0.2 |
| GT3080011 | 39 | 0.1 |
| Total | | 5.3 |



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