

CODE MODIFICATION PROPOSAL No. 0137
" Allocated Entry Capacity & Baseline Summary Report"
Version 1.0

Date: 09/03/2007

Proposed Implementation Date: 01/10/2007

Urgency: Non-Urgent

Proposer's preferred route through modification procedures and if applicable, justification for Urgency

(see the criteria at http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)

It is proposed that this Proposal be referred to the Transmission Workstream for discussion prior to being issued for consultation.

Nature and Purpose of Proposal (including consequence of non implementation)

NTS Entry Capacity at Aggregate System Entry Points (ASEPs) is allocated by way of a series of auctions.

Following such auctions National Grid NTS is required to publish details of what NTS Entry Capacity has been allocated in the time periods stated in the auction invitation, along with certain purchase price details. It does this by posting a number of reports on its website, some of which can be downloaded in Excel spreadsheet format.

Each ASEP also has a NTS SO Baseline Entry Capacity, which is the amount of NTS Entry Capacity National Grid NTS is required to make available pursuant to its Transporter Licence.

Using this information Users are able to calculate the amount of capacity that has been allocated (in accordance with Uniform Network Code rules) and the amount that National Grid NTS is required to make available as per the baseline. From this they can determine what, if any, capacity remains unsold which will therefore be available to bid for in the various future auctions. Details of unsold capacity are also made available in the invitations to tender issued by National Grid NTS.

Despite this wealth of information being made available it can be difficult for Users and other interested market participants to determine what capacity has been allocated for what period at each ASEP.

This is because of the multiple rounds and the differing number of years and capacity strips that apply in the various entry capacity auctions. Any new User, or interested market participant, that wishes to determine how much capacity has already been allocated in previous auctions for a date six months ahead, for example, would have to go back and collate information from a number of previous LTSEC and AMSEC auction, each of which took place over a number of rounds. Even where User's record this information on an ongoing basis it is not unknown for

errors to be made, or for information from auction rounds to be missed. These only come to light at the point when auction invitation letters are sent out.

To simplify the presentation of allocated NTS Entry Capacity therefore it is proposed that National Grid NTS be required to publish on their website a monthly summary report of the allocated entry capacity at each ASEP, along with the baseline applicable at each ASEP.

This report would be published monthly on the first calendar day of each month and would, for each ASEP, include:

- i) the quantity (in kWh/day) of NTS Entry Capacity allocated, if any, for each day of the month in which the report is published;
- ii) the quantity (in kWh/d) of NTS SO Base line Entry Capacity for each day of the month in which the report is published;
- iii) the quantity (in kWh/d) of NTS Entry Capacity allocated, if any, for the month following the month in which the report is published and for each of the two hundred and three following months; and
- iv) the quantity (in kWh/d) of NTS SO Baseline Entry Capacity for the month following the month in which the report is published and for each of the two hundred and three following months (to the extent such information has been determined).

Publishing data this far ahead will ensure that all capacity that has been allocated in any LTSEC, AMSEC and RMSEC auction preceding that month will be captured.

The report is not intended to capture Daily NTS Entry Capacity and/or Daily Interruptible NTS Entry Capacity. Nor is it intended to capture Firm NTS Entry Capacity that a User surrenders and/or that National Grid NTS has bought back subject to a Forward Agreement or an Option Agreement.

In the event Modification Proposal 133 is approved, and AMTSEC auctions are introduced, the quantities referred to in point iii) above shall include:

- a) any NTS Entry Capacity which is deemed to have been sold (for the purposes of National Grid NTS's obligations under its Transporter Licence to make available baseline amounts) at a Donor ASEP as a consequence of a transfer to a Recipient ASEP; and
- b) any NTS Entry Capacity transferred to a Recipient ASEP from a Donor ASEP, after application of the appropriate Transfer Rate, as a consequence of an AMTSEC auction.

Any new ASEP for which NTS Entry Capacity is allocated in future will be added to the next published report following notification of allocation to the relevant User(s).

For the avoidance of doubt this requirement to publish an "Allocated Entry Capacity and Baseline Summary Report" is on top of the exiting Uniform Network Code obligations placed on

National Grid NTS to publish information following auctions, and does not impact in any way information currently being published to this effect on National Grid's website and/or Gemini.

An example of and extract of what such a report might look like is shown as an Appendix to this Proposal.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A.11.1 and 2 of the Gas Transporters Licence

We believe this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in National Grid NTS's Transporter Licence:

- in respect of Standard Special Condition A11 paragraph 1 (d) by ensuring shippers and other market participants have, at all times, access to an accurate record of the quantity of entry capacity that has been allocated at each ASEP in previous LTSEC, AMSEC, RMSEC and AMTSEC auctions (in the event they come about) along with the baseline capacity available at each. As a result all parties will have a common understanding of the capacity they can bid for in future auctions and the extent to which gas may be supplied at ASEP's in future based on aggregate capacity bookings; and
- in respect of Standard Special Condition A.11 paragraph 1 (f) by increasing the efficiency of the release of auction information under the UNC by reducing the current administrative burden placed on shippers and other market participants in capturing and recording this data.

Any further information (Optional), likely impact on systems, processes or procedures,

Proposer's view on implementation timescales and suggested text

We suspect that National Grid NTS already have the information that we are seeking to be published available to them in spreadsheet form, but if not, there may be some development costs associated with producing such a spreadsheet. There may also be development costs involved in developing the process whereby such a spreadsheet can be loaded on to National Grid's website on the first calendar day of each month.

In both cases we would expect such development costs to be very low.

Code Concerned, sections and paragraphs

UNC Transportation Principal Document Sections B.2

Proposer's Representative

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Proposer

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Signature

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Joint Office of Gas Transporters:
0137: Allocated Entry Capacity & Baseline Summary Report

Allocated Entry Capacity & Baseline Summary Report (Beach Entry Points)

Appendix

Monthly Report for 1st October 2007

Period	Bacton		Barrow		Easington		Isle of Grain		Milford Haven		St Fergus		Teeside		Theddlethorpe	
	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)	Allocated Capacity (kWh)	Baseline Capacity (kWh)
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