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Document 2	pcdocs://dwslib/8051350/7
Rendering set	DWS Underline Strikethrough

Legend:	
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Statistics:	
	Count
Insertions	289
Deletions	215
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	504

MODIFICATION 0187

ALTERATION TO THE RMSEC AUCTION TO ACCOMMODATE TRANSFER AND TRADE OF CAPACITY BETWEEN ASEPs

Legal text

TPD SECTION B: SYSTEM USE AND CAPACITY

Delete text at paragraph 2.3 and insert new text to read as follows:

2.3.1 In respect of each Aggregate System Entry Point National Grid NTS will each month invite Users to offer to surrender, and make applications (~~a "rolling monthly invitation"~~) for Monthly NTS Entry Capacity for the following calendar month in accordance with this paragraph 2.3.

2.3.2 For the purposes of this paragraph 2.3:

- (a) "**Rolling Available NTS Entry Capacity**" in respect of an Aggregate System Entry Point and a calendar month, is an amount of Monthly NTS Entry Capacity equal to:

$$A + B + C$$

where:

- A is the Unsold NTS Entry Capacity (if any) for the calendar month;
- B is the Incremental NTS Entry Capacity (if any) for the calendar month; and
- C is the Surrendered NTS Entry Capacity (if any) for the calendar month;
- (b) "**Donor ASEP**" is an Aggregate System Entry Point in respect of which;
- (i) no rolling monthly capacity bid remains unsatisfied following an allocation pursuant to paragraph ~~2.3.17~~ 2.3.19; and
- (ii) there remains Rolling Available NTS Entry Capacity for the relevant month; (in an amount in excess of the minimum eligible amount);
- (c) "**inter-ASEP exchange rate**" is the rate, in respect of different pairs of Aggregate System Entry Points used by National Grid NTS for the purposes of paragraph ~~2.3.20~~ 2.3.23 as established in accordance with the Entry Capacity Transfer and Trade Methodology Statement;
- (d) the "**Entry Capacity Transfer and Trade Methodology Statement**" is the Entry Capacity Transfer and Trade ~~entry capacity transfer~~ methodology statement prepared and published by National Grid NTS in accordance with Special Condition C8D(11) of National Grid NTS's Transporter's Licence;
- (~~de~~) "**Recipient ASEP**" is an Aggregate System Entry Point in respect of which rolling monthly capacity bids remain unsatisfied following an allocation pursuant to paragraph ~~2.3.17~~ 2.3.19;

- (ef) "relevant month" is the calendar month in respect of which National Grid NTS shall invite Users to make rolling monthly surrender offers and rolling monthly capacity [bidbids](#) in accordance with this paragraph 2.3;
- (fg) "Surrendered [NTS Entry Capacity](#)" in respect of an Aggregate System Entry Point and a calendar month, is the aggregate amount of [MonthlyFirm](#) NTS Entry Capacity in respect of which Users have submitted rolling monthly surrender offers (excluding any rolling monthly surrender offer rejected in accordance with paragraph 2.3.9) in accordance with this paragraph 2.3;
- (gh) "unit price" in respect of a rolling monthly capacity bid is calculated as follows:

$$X / Y$$

where:

X is the bid price (in pence/kWh /Day) of the rolling monthly capacity bid;

Y is:

- (i) for the purposes of paragraph [2.3.17,2.3.19](#), one (1); [and](#)
- (ii) [for the purposes of paragraph 2.3.23](#), the relevant inter-ASEP exchange rate applying between the Aggregate System Entry Point and the relevant Donor ASEP [for the purposes of paragraph 2.3.20;](#) [and](#)

- (i) ["weighted average unit price" in respect of a rolling monthly surrender offer is calculated as follows:](#)

$$\frac{\sum_{i=1}^n P_i * Q_i}{\sum_{i=1}^n Q_i}$$

[where:](#)

[n](#) is the number of rolling monthly capacity bids to which NTS Entry Capacity is allocated for the purposes of which a rolling monthly surrender offer is deemed to have been accepted pursuant to paragraphs 2.3.20(b) and 2.3.24(b) (each a 'relevant capacity bid' for the purposes of this paragraph (i));

[P](#) is the bid price of the relevant capacity bid; [and](#)

[Q](#) is that quantity of NTS Entry Capacity allocated to the relevant capacity bid and for which purposes Monthly NTS Entry Capacity was surrendered pursuant to paragraphs 2.3.19 and 2.3.23.

- 2.3.3 By not later than five (5) Business Days before the date on which National Grid NTS invites Users to make rolling monthly capacity bids National Grid NTS will invite Users to [offer to surrender Monthly \("rolling monthly surrender invitation"\) Firm](#) NTS Entry Capacity at each Aggregate System Entry Point for the relevant month for the purposes of this paragraph 2.3.
- 2.3.4 Users may, [pursuant to an invitation under paragraph 2.3.3](#), offer to surrender [MonthlyFirm](#) NTS Entry Capacity for each Day in the relevant month in respect of an Aggregate System Entry Point.
- 2.3.5 National Grid NTS's invitation under paragraph 2.3.3 will specify:

- (a) the calendar month in respect of which the [rolling monthly surrender](#) invitation is made;
- (b) the date (the "**rolling monthly surrender date**") being one of the next two Business Days following the date on which National Grid NTS invites Users to surrender [MonthlyFirm](#) NTS Entry Capacity under paragraph 2.3.3 on which Users may notify National Grid NTS of amounts of [NTS MonthlyFirm](#) NTS Entry Capacity which they are willing to surrender for the relevant month; [and](#)
- (c) the prevailing reserve price for [NTS Monthly](#) NTS Entry Capacity at each Aggregate System Entry Point for the relevant month.

2.3.6 An offer ("**rolling monthly surrender offer**") to surrender [MonthlyFirm](#) NTS Entry Capacity pursuant to paragraph ~~2.3.6~~[2.3.4](#) shall specify:

- (a) the identity of the User ("**Surrender User**");
- (b) the relevant month;
- (c) the Aggregate System Entry Point;
- (d) the amount (not less than the minimum eligible amount) of [MonthlyFirm](#) NTS Entry Capacity offered for surrender (in kWh/Day) ("**surrender amount**"); [and](#)
- (e) the minimum price (the "**rolling monthly surrender price**")₂ which shall not be greater than the reserve price (~~applying in respect of invitation for Monthly NTS Entry Capacity held in the relevant month~~)[specified in the rolling monthly surrender invitation](#), which the User wishes to be paid in respect of the surrender of [MonthlyFirm](#) NTS Entry Capacity;

[and where a User submits a rolling monthly surrender offer\(s\) the User agrees to hold Available NTS Entry Capacity at the Aggregate System Entry Point for each day in the relevant month in an amount not less than the aggregate surrender amount in respect of the rolling monthly surrender offer\(s\) submitted by the User.](#)

2.3.7 A User may have at any one time up to but no more than two (2) rolling monthly surrender offers in respect of a particular Aggregate System Entry Point.

2.3.8 A rolling monthly surrender offer:

- (a) may not be submitted before 08:00 hours or after 17:00 hours on a rolling monthly surrender date;
- (b) may be withdrawn or amended ~~after 08:00 hours and~~ [until, but not after,](#) 17:00 hours on a rolling monthly surrender date.

2.3.9 National Grid NTS will reject a rolling monthly surrender offer submitted on ~~the invitation a~~ [rolling monthly surrender](#) date where:

- (a) ~~the requirements~~ [any requirement](#) of paragraphs 2.3.6, 2.3.7 or 2.3.8 ~~are~~ [is](#) not complied with;
- (b) the amount of [MonthlyFirm](#) NTS Entry Capacity offered for surrender exceeds the amount of the User's Available Firm ~~Monthly~~ NTS Entry Capacity at the Aggregate System Entry Point [on any Day in the relevant month](#) (determined by reference to [the application of this paragraph 2.3 and](#) System Capacity Transfers which at the relevant time have become effective in accordance with paragraph 5.2.4 ~~and the provisions of this paragraph 2.3~~).

[2.3.10 By not later than five \(5\) Business Days before the rolling monthly invitation date, National Grid NTS will invite \("**rolling monthly invitation**"\) Users to apply for Monthly NTS Entry Capacity at](#)

each Aggregate System Entry Point for the relevant month for the purposes of this paragraph 2.3.

2.3.11 Users may, pursuant to an invitation under paragraph 2.3.10, apply for Monthly NTS Entry Capacity for each Day in the relevant month in respect of an Aggregate System Entry Point.

2.3.10

2.3.12 National Grid NTS's invitation under paragraph ~~2.3.10~~2.3.10 will specify:

- (a) the date ("**rolling monthly**" invitation date) being one of the twenty (20) Business Days preceding the last Business Day of the calendar month preceding the relevant month on which applications pursuant to athe rolling monthly invitation may be made;
- (b) for each Aggregate System Entry Point the amount of:
 - (i) the Surrendered NTS Entry Capacity;
 - (ii) the Rolling Available NTS Entry Capacity; and
- (c) for each Aggregate System Entry Point the reserve price ~~to be applied~~.

2.3.14

2.3.13 Users may apply for Monthly NTS Entry Capacity in respect of an Aggregate System Entry Point for the relevant month on the rolling monthly invitation date.

2.3.12

2.3.14 An application (a "**rolling monthly**" capacity bid) for Monthly NTS Entry Capacity pursuant to paragraph 2.3.13 shall specify:

- (a) the identity of the User;
- (b) the relevant month;
- (c) the Aggregate System Entry Point;
- (d) the amount of Monthly NTS Entry Capacity (not less than the minimum eligible amount) applied for (in kWh/Day);
- (e) the minimum amount (not less than the minimum eligible amount) of Monthly NTS Entry Capacity which the User is willing to be allocated for the purposes of paragraphs ~~2.3.17~~2.3.19 and ~~2.3.20~~2.3.23); and
- (f) the amount (the "**bid price**") which shall not be less than the reserve price (~~applying in respect of specified in the rolling monthly invitation for Monthly NTS Entry Capacity held in the relevant month~~) which the User is willing to pay by way of Capacity Charge in respect of the Monthly NTS Entry Capacity applied for.

2.3.13

2.3.15 A User may have at any one time up to but no more than twenty (20) rolling monthly capacity bids in respect of a particular Aggregate System Entry Point.

2.3.14

2.3.16 A rolling monthly capacity bid:

- (a) may not be submitted before 08:00 hours or after 17:00 hours on a rolling monthly invitation date;
- (b) may be withdrawn or amended ~~after 08:00 hours and~~ until, but not after, 17:00 hours on a rolling monthly invitation date.

2.3.15

2.3.17 National Grid NTS will reject a rolling monthly capacity bid submitted on a rolling monthly invitation date where:

- (a) the bid price is less than the reserve price;
- (b) ~~the requirements~~any requirement of paragraphs ~~2.3.12, 2.3.13 or 2.3.14 are~~2.3.14, 2.3.15 or 2.3.16 is not complied with

and National Grid NTS may reject a rolling monthly capacity bid in accordance with Section V3.

2.3.16

2.3.18 Following the submission of rolling monthly surrender offers and rolling monthly capacity bids Monthly NTS Entry Capacity will be allocated for the relevant month at an Aggregate System Entry Point:

- (a) first in accordance with paragraph ~~2.3.17~~2.3.19;
- (b) where paragraph ~~2.3.18~~2.3.21 applies, thereafter in accordance with paragraph ~~2.3.20~~2.3.23

for which purposes National Grid NTS may ignore (such that the rolling monthly surrender offer has no effect for the purposes of this paragraph 2.3) any rolling monthly surrender offer where at the time of ranking rolling monthly capacity bids in accordance with ~~paragraph 2.3.17~~paragraphs 2.3.19(a) and 2.3.23(a) the amount of Monthly Firm NTS Entry Capacity offered (or remaining offered) for surrender exceeds the amount of the User's Available Firm Monthly-NTS Entry Capacity at the Aggregate System Entry Point on any Day in the relevant month.

2.3.17

2.3.19 Monthly NTS Entry Capacity in respect of an Aggregate System Entry ~~Points~~Point will be allocated pursuant to rolling monthly capacity bids submitted in respect of the relevant month as follows:

- (a) all rolling monthly capacity bids (excluding any rejected pursuant to paragraph ~~2.3.15~~2.3.17) will be ranked in order of price (highest ranking first);
- (b) Monthly NTS Entry Capacity will be allocated to rolling monthly capacity bids with the highest bid price first until such time as all the rolling monthly capacity bids are satisfied or the amount of Monthly NTS Entry Capacity allocated is equal to the Rolling Available NTS Entry Capacity at the Aggregate System Entry Point;
- (c) ~~for the purposes of paragraph (b) where an allocation of Monthly NTS Entry Capacity is made following acceptance of a rolling monthly capacity bid:~~
 - ~~(i) National Grid NTS will first reduce the amount of Surrendered Entry Capacity;~~
 - ~~(ii) in reducing the Surrendered Entry Capacity National Grid NTS will be deemed to have accepted one or more rolling monthly surrender offers at the Aggregate System Entry Point, for which purpose National Grid NTS shall be deemed to have accepted rolling monthly surrender offers in price order (highest ranking~~

~~first) and where two or more rolling monthly surrender offers have the same rolling monthly surrender price the offers shall be accepted on a pro rata basis;~~

~~(iii) where following the application of paragraph (ii) there remains no Surrendered Entry Capacity National Grid NTS will, subject to paragraph (d), next reduce the amount of Unsold NTS Entry Capacity at the Aggregate System Entry Point;~~
~~(d) subject to paragraphs (d), (e), (f) and (g), where the amount of Monthly NTS Entry Capacity applied for under a rolling monthly capacity bid exceeds the amount ("remaining unallocated amount") of the Rolling Available NTS Entry Capacity remaining unallocated after allocation to higher priced bids the User will be allocated an amount equal to the remaining unallocated amount;~~

(ed) subject to paragraphs (fe) and (gf), where two or more rolling monthly capacity bids ("equal priced bids") specify the same bid price, and the amount of Monthly NTS Entry Capacity applied for in aggregate under the equal priced bids exceeds the remaining unallocated amount, the remaining unallocated amount shall be allocated pro rata the amounts applied for in each such rolling monthly capacity bid;

(fe) where the amount to be allocated in respect of a rolling monthly capacity bid pursuant to paragraphs (ed) and (ed) would be less than the minimum amount specified in the bid, the rolling monthly capacity bid will (without prejudice to paragraph 2.3.20 2.3.23) be disregarded for the purposes of this paragraph 2.3.17 and 2.3.19 and an allocation made between the other rolling monthly capacity bids with the same bid price in accordance with paragraph (d) or (as the case may be) an allocation made in respect of the next ranked rolling monthly capacity bid; and

(gf) where the amount to be allocated in respect of any rolling monthly capacity bid would be less than the minimum eligible amount, no allocation shall be made to that bid (and, without prejudice to paragraph 2.3.23, no further allocation shall be made in respect of the Aggregate System Entry Point).

2.3.20 For the purposes of paragraph 2.3.19, where an allocation of Monthly NTS Entry Capacity is made following acceptance of a rolling monthly capacity bid:

(a) National Grid NTS will first reduce the amount (if any) of Surrendered NTS Entry Capacity at the Aggregate System Entry Point;

(b) in reducing the Surrendered NTS Entry Capacity National Grid NTS will be deemed to have accepted one or more rolling monthly surrender offers at the Aggregate System Entry Point (in whole or in part), for which purpose National Grid NTS shall be deemed to have accepted rolling monthly surrender offers in price order (highest ranking first) and where two or more rolling monthly surrender offers have the same rolling monthly surrender price the offers shall be accepted on a pro rata basis;

(c) where a rolling monthly surrender offer is accepted for the purposes of paragraph (b) the Surrender User's Available Firm NTS Entry Capacity at the Aggregate System Entry Point shall be reduced by an amount equal to the amount in respect of which the rolling monthly surrender offer was accepted; and

(d) where following the application of paragraphs (a) and (b) there remains no Surrendered NTS Entry Capacity National Grid NTS will next reduce (if any) the amount of Unsold NTS Entry Capacity at the Aggregate System Entry Point.

2.3.18

2.3.21 Where following an allocation in accordance with paragraph 2.3.17 2.3.19 there remains rolling monthly capacity bids which are unsatisfied (whether in whole or in part) in respect of an Aggregate System Entry Point ("unsatisfied bids") and there remains Rolling Available NTS Entry Capacity at any other Aggregate System Entry Point:

- (a) the unsatisfied bids for each Recipient ASEP will be grouped in accordance with paragraph [2.3.19](#) [2.3.22](#) (for which purposes a rolling monthly capacity bid which remains unsatisfied will be included ~~only~~ in respect of the unsatisfied bid quantity); and
- (b) a further allocation of Monthly NTS Entry Capacity will take place at Recipients ASEPs in accordance with paragraph ~~2.3.20~~ [2.3.23](#).

[2.3.19](#)

[2.3.22](#) For the purposes of paragraph [2.3.20](#) [2.3.23](#) and in respect of each Recipient ASEP:

- (a) the "unsatisfied bid quantity" is ~~the aggregate~~:
 - (i) ~~in relation to an unsatisfied bid, the~~ quantity of Monthly NTS Entry Capacity ~~for which unsatisfied bids were made applied for in the relevant rolling monthly capacity bid less the quantity of Monthly NTS Entry Capacity allocated to such rolling monthly capacity bid pursuant to paragraph 2.3.19; and~~
 - (ii) ~~in relation to an unsatisfied bid group, the aggregate unsatisfied bid quantity for all rolling monthly capacity bids in an unsatisfied bid group;~~
- (b) the unsatisfied bids will be grouped on the following basis:
 - (i) the unsatisfied bids will be ranked in price order (highest ranking first);
 - (ii) subject to there being sufficient unsatisfied bids, the unsatisfied bids will be grouped in descending price order into a maximum of four (4) bid groups (each an "unsatisfied bid group"); where ~~each such~~ bid group shall comprise one or more unsatisfied bids ~~such that~~:
 - (1) ~~the first and highest ranking bid group comprises unsatisfied bids~~ in respect of which the aggregate amount of Monthly NTS Entry Capacity applied for is ~~as near as possible equal to 25%~~ not less than twenty-five percent (25%) of the unsatisfied bid quantity;
 - (2) ~~the first and second highest ranking bid groups together comprise unsatisfied bids in respect of which the aggregate amount of Monthly NTS Entry Capacity is not less than fifty percent (50%) of the unsatisfied bid quantity; and~~
 - (3) ~~the first, second and third highest ranking bid groups together comprise unsatisfied bids in respect of which the aggregate amount of Monthly NTS Entry Capacity applied is not less than seventy-five percent (75%) of the unsatisfied bid quantity;~~
 - (iii) where an unsatisfied bid could be included, for the purposes of paragraph (ii), in two (2) unsatisfied bid groups it shall be included in the ~~group with the higher unsatisfied~~ highest ranked bid group ~~price~~;
 - (iv) where ~~there are two or more equally priced unsatisfied bids that could be included in two unsatisfied bid groups for the purposes of this paragraph (b), the unsatisfied bids will be included in the unsatisfied bid group with the highest unsatisfied bid group price; and~~
 - (v) ~~where~~ the number or characteristics of the unsatisfied bids at a Recipient ASEP are such to prevent the identification of four (4) unsatisfied bid groups in the manner anticipated by paragraph (ii) a lesser number of unsatisfied bid groups may be identified ~~comprising as equal a distribution of the unsatisfied bid quantity as is possible~~;

- (c) for each unsatisfied bid group the "unsatisfied bid group price" shall be calculated as follows:

$$UBGP = UBGV / UBGQ$$

$$\frac{\sum_{i=1}^n P_i * Q_i}{\sum_{i=1}^n Q_i}$$

where:

UBGV is the ~~sum of the value of each rolling monthly capacity bids comprised~~ number of unsatisfied bids in the unsatisfied bid group, ~~being in the case of each rolling monthly capacity bid;~~

P is the bid price ~~multiplied by~~ for each relevant unsatisfied bid in the unsatisfied bid group; and

Q is the unsatisfied bid quantity; ~~UBGQ~~ is the sum of all for each relevant unsatisfied bid quantities for rolling monthly capacity bids comprised within the unsatisfied bid group.

2.3.20

2.3.23 Where paragraph ~~2.3.182.3.21~~ applies Monthly NTS Entry Capacity in respect of a Recipient ASEP will be allocated pursuant to rolling monthly capacity bids comprised in unsatisfied bid groups and submitted in respect of the relevant month as follows:

- (a) all unsatisfied bid groups for all Recipient ASEPs will be ranked in order of unsatisfied bid group price (highest ranking first), and where two or more unsatisfied bid groups have the same unsatisfied bid group price, ~~thesuch~~ unsatisfied bid groups will be ranked by reference to as follows:
- (i) ~~first, the unsatisfied bid price of group comprising the~~ rolling monthly capacity bids comprised in each unsatisfied bid group, with the unsatisfied bid group with bid with the highest bid price shall rank highest; provided that where the highest individual bid price ranking highest; ~~(ii) second, by aggregate quantity applied for in each is the same in two or more unsatisfied bid group, with groups, then;~~
- (ii) the unsatisfied bid group with the largest aggregate unsatisfied bid quantity rankings shall rank highest; provided that where the unsatisfied bid quantity is the same, then;
- (iii) third, by the time the rolling monthly capacity bids were first submitted by Users, with the unsatisfied bid group with comprising the earliest submitted/received rolling monthly capacity bid rankings shall rank highest;
- (b) where, following the ~~initial~~ ranking of unsatisfied bid groups in accordance with paragraph (a), there are unsatisfied bid groups at the same Recipient ASEP ranked consecutively, the unsatisfied bid groups will be amalgamated ~~(and the unit price shall be calculated by reference to the aggregate bid quantities of all the for the purposes of determining the inter-ASEP exchange rate when allocating Monthly NTS Entry Capacity to rolling monthly capacity bid/bids comprised in the amalgamated unsatisfied bid group);~~
- (c) subject to ~~paragraphs (d) and (k), the provisions of this paragraph 2.3.23,~~ Monthly NTS Entry Capacity will be allocated to rolling monthly capacity bids comprised in the ~~unsatisfied bid group with the~~ highest ranked unsatisfied bid group ~~price~~ first (and

subject to this paragraph (c) to rolling monthly capacity bids comprised in the next ranked unsatisfied bid group), until such time as in respect of an unsatisfied bid group:

- (i) all the rolling monthly capacity bids ~~comprised in the unsatisfied bid group are~~ are satisfied;
 - (ii) Monthly NTS Entry Capacity is only available on the basis of the application ~~at a Donor ASEP~~ of an inter-ASEP exchange rate which ~~exceeds~~ is greater than 10:1; or
 - (iii) there is no Rolling Available NTS Entry Capacity remaining at any Donor ASEPs;
- (d) for the purposes of paragraph (c):
- (i) when considering an unsatisfied bid group, National Grid NTS will rank each Donor ASEP by reference to the inter-ASEP exchange rate applying between the Recipient ASEP and the Donor ASEP, ~~with the Donor ASEP with the lowest inter-ASEP exchange rate ranking highest and otherwise~~ in accordance with the Entry Capacity Transfer and Trade Methodology Statement;
 - (ii) National Grid NTS will allocate Monthly NTS Entry Capacity to rolling monthly capacity bids comprised in an unsatisfied bid group ~~by reference to~~ from the highest ranked Donor ASEP first and where there is no longer Rolling Available NTS Entry Capacity at a Donor ASEP National Grid NTS shall ~~consider~~ allocate Monthly NTS Entry Capacity from the next ranked Donor ASEP;
 - (iii) where there is no longer Rolling Available NTS Entry Capacity at a Donor ASEP National Grid NTS may recalculate the inter-ASEP exchange rate for each of the remaining Donor ASEPs and may, as a result of such recalculation, reconsider the order in which the remaining Donor ASEPs are ranked for the purpose of this paragraph ~~2.3.20;(iv) — National Grid NTS will allocate Monthly NTS Entry Capacity to a rolling monthly capacity bid comprised in an unsatisfied bid group in an amount less than was applied for (not less than the minimum eligible amount or the minimum amount applied for)2.3.23;~~
 - (iv) where all the rolling monthly capacity ~~bid~~ bids comprised in an unsatisfied bid group cannot be satisfied by reference to the Rolling Available NTS Entry Capacity at a Donor ASEP(s) and the relevant inter-ASEP exchange rate, National Grid NTS will allocate Monthly NTS Entry Capacity to the rolling monthly capacity ~~bid~~ bids comprised in the unsatisfied bid group in bid price order, allocating Monthly NTS Entry Capacity to the rolling monthly capacity bid with the highest bid price first (and where there are two or more rolling monthly capacity bids with the same bid price Monthly NTS Entry Capacity shall be allocated by reference to the time the rolling monthly capacity bids were ~~first submitted by Users~~ received by National Grid NTS, with the earliest ~~submitted~~ received rolling monthly capacity bid ranking highest); and
 - (v) where rolling monthly capacity bids comprised in an unsatisfied bid group remain unsatisfied following consideration of all relevant Donor ASEPs (whether in whole or part) the rolling monthly capacity ~~bid~~ bids will be treated for the purposes of this paragraph ~~2.3.20~~ 2.3.23 as being comprised in the next ranked unsatisfied bid group ~~(and the unsatisfied bid group price for the next ranked unsatisfied bid group shall not be recalculated)~~ for that Recipient ASEP;
- (e) for the purposes of this paragraph 2.3.23:
- (i) Monthly NTS Entry Capacity allocated to a rolling monthly capacity bid pursuant to this paragraph 2.3.23 will be subject to the application of the relevant inter-ASEP exchange rate(s);

~~(ii)~~ where Monthly NTS Entry Capacity is allocated to a rolling monthly capacity bid comprised in an unsatisfied bid group the Rolling Available NTS Entry Capacity at the relevant Donor ASEP shall be reduced by an amount calculated as follows:

$$P * Q$$

where:

P is the ~~bid~~ quantity in respect of which allocated to the rolling monthly capacity bid ~~was made from the relevant Donor ASEP~~;

Q is the inter-ASEP exchange rate applying between the Recipient ASEP and the relevant Donor ASEP;

~~(f) for the purposes of paragraph (e), where an allocation of Monthly NTS Entry Capacity is made;~~

~~(i) National Grid NTS will first reduce the amount of Surrendered Entry Capacity at the relevant Donor ASEP;~~

~~(ii) in reducing the Surrendered Entry Capacity National Grid NTS will be deemed to have accepted one or more rolling monthly surrender offers, for which purpose National Grid NTS shall be deemed to have accepted rolling monthly surrender offers in price order (highest ranking first);~~

~~(iii) where a rolling monthly surrender offer is treated as accepted for the purposes of paragraph (iii) the User's Available Firm NTS Entry Capacity at the Donor ASEP shall be reduced by an amount equal to the surrender amount for such of the rolling monthly surrender offer which is treated as being accepted;~~

~~(iv) where following the application of paragraph (iii) there remains no Surrendered Entry Capacity National Grid NTS will, subject to paragraph (g), next reduce the amount of Unsold NTS Entry Capacity;~~

~~(gf)~~ subject to paragraphs ~~(h), (ig)~~ and ~~(jh)~~ where the amount of Monthly NTS Entry Capacity applied for unsatisfied bid quantity under a rolling monthly capacity bid exceeds the amount ("**remaining unallocated amount**") of the Rolling Available NTS Entry Capacity remaining unallocated after allocation to higher priced bids the User will be allocated an amount equal to the remaining unallocated amount;

~~(h)~~ subject to paragraphs ~~(i) and (j)~~, where ~~two or more rolling monthly capacity bids ("equal priced bids") specify the same bid price, and the amount of Monthly NTS Entry Capacity applied for in aggregate under the equal priced bids exceeds the remaining unallocated amount, the remaining unallocated amount shall be allocated pro rata the amounts applied for in each such rolling monthly capacity bid;~~~~(ig)~~ where the amount to be allocated in respect of a rolling monthly capacity bid pursuant to paragraphs ~~(g) and (h)~~this paragraph 2.3.23, in respect of which no allocation was made pursuant to paragraph 2.3.19, would be less than the minimum amount specified in the bid, the rolling monthly capacity bid will be disregarded for the purposes of this paragraph ~~2.3.20~~2.3.23 and an allocation made in respect of the next ranked rolling monthly capacity bid; ~~and~~

~~(jh)~~ where the amount to be allocated in respect of any rolling monthly capacity bid pursuant to this paragraph 2.3.23, in respect of which no allocation was made pursuant to paragraph 2.3.19, would be less than the minimum eligible amount, no allocation shall be made to that bid (and no further allocation shall be made in respect of the Aggregate System Entry Point);

~~(k)~~ for the purposes of paragraph ~~(f)~~~~(ii)~~:

- (i) ~~where one of the conditions referred to in paragraph (c) applies in respect of each unsatisfied bid group National Grid NTS will not accept any further unsatisfied bids (which such bids shall be disregarded and have no further effect); and~~
- (h) ~~j) for the purposes of this paragraph 2.3.23 and paragraph 2.3.24 National Grid NTS will not allocate Monthly NTS Entry Capacity to a rolling monthly capacity bid comprised in a unsatisfied bid group where the allocation is could only be satisfied by the reduction of Surrendered NTS Entry Capacity at a the Donor ASEP (in accordance with paragraph 2.3.24) in respect of which the rolling monthly surrender price of a rolling monthly surrender offer is greater than than the unit price for the of the relevant rolling monthly capacity bid;~~

2.3.24 For the purposes of paragraph 2.3.23, where an allocation of Monthly NTS Entry Capacity is made:

- (a) National Grid NTS will first reduce the remaining amount (if any) of Surrendered NTS Entry Capacity at the relevant Donor ASEP;
- (ii) ~~where an allocation is made by reference to Surrendered Entry Capacity comprised in b) in reducing the Surrendered NTS Entry Capacity National Grid NTS will be deemed to have accepted one or more rolling monthly surrender offers at the Donor ASEP (in whole or in part), for which purpose National Grid NTS shall be deemed to have accepted rolling monthly surrender offers in price order (highest ranking first) and where two or more rolling monthly surrender offers at a Donor ASEP or by reference to Surrendered Entry Capacity and Unsold Entry Capacity at a Donor ASEP the allocation shall be made on a pro rate basis have the same rolling monthly surrender price the offers shall be accepted on a pro rata basis;~~
- (c) where a rolling monthly surrender offer is accepted for the purposes of paragraph (b) the Surrender User's Available Firm NTS Entry Capacity at the Donor ASEP shall be reduced by an amount equal to the amount in respect of which the rolling monthly surrender offer was accepted; and
- (d) where following the application of paragraphs (a) and (b) there remains no Surrendered NTS Entry Capacity which National Grid NTS is able to accept surrender offers in respect of, National Grid NTS will next reduce the amount (if any) of Unsold NTS Entry Capacity at the Aggregate System Entry Point.

2.3.21

2.3.25 Where a rolling monthly surrender offer or rolling monthly capacity bid is ~~treated as having being~~ accepted:

- (a) the Surrender User shall remain liable for the Capacity Charges payable in respect of the Monthly surrendered Firm NTS Entry Capacity for the relevant month;
- (b) the User who submitted the rolling monthly capacity bid agrees to pay by way of NTS Entry Capacity Charges the relevant bid price for the relevant month in respect of the Monthly NTS Entry Capacity allocated in accordance with this paragraph 2.3;
- (c) where Monthly NTS Entry Capacity is allocated to a rolling monthly capacity bid by reason of the acceptance of a rolling monthly surrender offer National Grid NTS shall pay to the Surrender User an amount, subject to paragraph (b), equal to the rolling monthly surrender weighted average unit price multiplied by the amount of Monthly Firm NTS Entry Capacity treated as being surrendered, surrendered (and allocated as Monthly NTS Entry Capacity in accordance with paragraphs 2.3.20(b) and 2.3.24(b)); and

2.3.22 ~~Where a:~~

~~(a) rolling monthly surrender offer is accepted, the amount of Monthly NTS Entry Capacity held by the User whose rolling monthly surrender was accepted at the relevant Aggregate System Entry Point for the relevant month will be reduced by amount for which the offer was accepted;~~

~~(d) for the purposes of paragraph (c) National Grid NTS shall not be required, in respect of any Aggregate System Entry Point at which a rolling monthly surrender offer(s) were accepted for the purposes of this paragraph 2.3, to pay the Surrender User(s) an amount in aggregate which exceeds the amounts received from a User(s) as a result of the allocation of Monthly NTS Entry Capacity following the acceptance of rolling monthly surrender offers in accordance with paragraph 2.3.20(b) and 2.3.24(b) (and National Grid NTS shall make such adjustments to the amounts payable to the Surrender User(s) as are reasonable for such purpose).~~

~~(b)~~

2.3.26 Where a rolling monthly capacity bid is accepted the User whose rolling monthly capacity bid was accepted shall be registered as holding Monthly NTS Entry Capacity (in the amount so allocated) for the relevant month at the relevant Aggregate System Entry Point.

2.3.23

2.3.27 Amounts due under paragraph ~~2.3.24~~2.3.25 shall be invoiced and payable in accordance with Section S.

2.3.28 Each User agrees and acknowledges that in respect of each relevant month:

~~2.3.24~~ ~~Where a User surrenders Monthly NTS Entry Capacity in accordance with paragraph 2.3.17 or 2.3.20 National Grid NTS will be treated as having complied with the requirements of Special Condition CD8(12) of National Grid NTS's Transporter' Licence; and where a User is allocated Monthly NTS Entry Capacity in accordance with paragraph 2.3.20 National Grid NTS will be treated as having complied with the requirements of Special Condition CD8(11) and (12) of National Grid NTS's Transporter' Licence, in each case in relation to the transfer of Monthly NTS Entry Capacity between Users and Aggregate System Entry Points:~~
(a) the issue of invitations pursuant to paragraphs 2.3.3 and 2.3.10 represent the means by which a User may request an entry capacity transfer or trade rate or rates for the purposes of Special Condition C8D(11)(b) and 12(b) of National Grid NTS's Transporter's Licence;

(b) where a User submits a rolling monthly surrender offer or rolling monthly capacity bid (as the case may be) the User shall be deemed to have requested National Grid NTS to enact an entry capacity transfer or trade for the purposes of Special Condition C8D(11)(c) and 12(c) of National Grid NTS's Transporter's Licence;

and National Grid NTS may disregard any other request from a User for an entry capacity transfer or trade rate or rates.

Amend text at paragraph 2.7.1 to read as follows:

"Following the submission of monthly capacity bids, ~~rolling monthly~~, daily capacity bids and interruptible daily capacity bids,".

Amend text at paragraph 2.7.2(a) to read as follows:

".... pursuant to paragraph 2.2.11, ~~2.3.6~~, 2.4.6 or 2.5.6....".

Amend text at paragraph 2.7.3 to read as follows:

".... as appropriate, paragraphs 2.2, ~~2.3~~, 2.4 or 2.5."

Amend text at paragraph 2.7.5 to read as follows:

"...(in accordance with paragraph 2.2.7(f), ~~2.3.4(f)~~, 2.4.2(f) or 2.5.2(f))....".

Amend text at paragraph 2.7.6(a)(i) to read as follows:

"in the case of an annual invitation ~~or rolling monthly invitation~~ under paragraphs 2.2 and ~~2.3~~,
....".

Amend text at paragraph 2.7.6(b)(i) to read as follows:

"paragraph 2.2.5 ~~or 2.3.3~~, Monthly NTS Entry Capacity;"

Delete paragraph 2.7.7(c) and renumber paragraphs 2.7.7(d) and (e) as paragraphs 2.7.7(c) and (d).

Amend text at paragraph 2.7.7(e) to read as follows:

".... in accordance with paragraph (a), (b) and, (c) ~~and (d)~~...."

Amend paragraph 2.12.3(~~e~~) to read as follows:

"....

(c); ~~and~~

(d); and

(e) (1.1 * E), where 'E' is the highest unit price accepted by National Grid NTS

where (a), (b), (c), ~~and~~ (d) and (e) are....".

Amend paragraph 2.13.2(a)(i) to read as follows:

(i)

(1)

(2); ~~and~~

(3); and

(4) Monthly NTS Entry Capacity ~~made available~~ is allocated pursuant to paragraph ~~2.3.2.3.19~~ or 2.2.23 by reason of the acceptance of a rolling monthly surrender offer

at the Aggregate System Entry Point."

Amend paragraph 2.13.2(b) to read as follows:

(b)

....

(iii); ~~and~~

(iv); and

(v) amounts payable by National Grid NTS in accordance with paragraph ~~2.3.2.3.25~~(c)

in relation to....".

Amend text at paragraph 2.14.2 to read as follows:

"Following each allocation of NTS Entry Capacity pursuant to paragraphs 2.2, ~~2.3~~, 2.4 and 2.5 National Grid NTS will,"

Add new text at paragraph 2.14.3 to read as follows:

2.14.3 Following an allocation of NTS Entry Capacity pursuant to paragraph 2.3, National Grid NTS will:

- (a) by not later than three (3) Business Days before the last Business Day of the calendar month preceding the relevant month, notify each User who submitted a rolling monthly capacity bid for the relevant month and in respect of each Aggregate System Entry Point, of:
 - (i) the rolling monthly capacity bids in respect of which an allocation of Monthly NTS Entry Capacity was made in accordance with ~~paragraph 2.3~~paragraphs 2.3.19 and 2.3.23 and the amount of the allocation in respect of each such rolling monthly capacity bid;
 - (ii) the amount of Monthly NTS Entry Capacity held in aggregate by the User for the relevant month pursuant to an allocation in accordance with paragraphs 2.3.19 and 2.3.23;
 - (iii) the amount of ~~Monthly~~ NTS Entry Capacity held in aggregate by the User for the relevant month ~~pursuant to an allocation in accordance with paragraph 2.3~~;
- (b) by not later than three (3) Business Days before the last Business Day of the calendar month preceding the relevant month, notify each User who submitted a rolling monthly surrender offer for the relevant month and in respect of each Aggregate System Entry Point, of:
 - (i) the ~~rolling monthly surrender offers in respect of which Monthly NTS Entry Capacity was surrendered and the amount of Monthly~~amount of Firm NTS Entry Capacity ~~surrendered in respect of each such rolling monthly~~which the User offered for surrender offer;
 - (ii) the aggregate quantity of ~~Monthly~~Firm NTS Entry Capacity ~~offered for surrender~~ which was ~~treated as~~ surrendered following acceptance of rolling monthly surrender offers submitted by the User for the purposes of ~~paragraph 2.3.20~~paragraphs 2.3.19 and 2.3.23;
 - (iii) the weighted average unit price in respect of each rolling monthly surrender offer in respect of which ~~Monthly~~Firm NTS Entry Capacity was surrendered by the User;
- (c) by not later than the Business Day following the notification under paragraphs (a) and (b), notify all Users in respect of each Aggregate System Entry Point, of:
 - (i) the information referred to in paragraph 2.14.2 (other than the relevant step price group);
 - (ii) ~~for each Aggregate System Entry Point:~~
 - ~~(1)~~ (1) the amount of Monthly NTS Entry Capacity allocated for the relevant month pursuant to paragraph ~~2.3.17~~2.3.19;
 - ~~(2)~~ (2) the amount of Monthly NTS Entry Capacity allocated for the relevant ~~month~~ month pursuant to paragraph 2.3.20;

- (iii) the ~~aggregate~~ amount of Monthly NTS Entry Capacity ~~surrendered~~allocated for the relevant month pursuant to paragraph 2.3.23;
- (iv) the aggregate amount of Firm NTS Entry Capacity which Users offered for surrender and the aggregate amount of Firm NTS Entry Capacity which was surrendered following acceptance of rolling monthly surrender offers submitted by Users for the purposes of paragraphs 2.3.19 and 2.3.23;
- (~~ivv~~) that quantity (if any) of Daily NTS Entry Capacity which National Grid NTS is required to make available to Users in accordance with paragraph 2.4 for the relevant month;
- (~~vvi~~) for each Donor ASEP the aggregate amount by which the Unsold NTS Entry Capacity at the Donor ASEP was reduced in accordance with paragraph ~~2.3.20~~2.3.23;
- (~~vivii~~) for each Recipient ASEP:
 - (1) the order in which the unsatisfied bid ~~group~~groups were ranked for the purposes of paragraph ~~2.3.20~~2.3.23;
 - (2) the highest and lowest bid price and the weighted average price (calculated in a manner consistent with the calculation in paragraph 2.14.2(f)) in respect a rolling monthly capacity bids for which Monthly NTS Entry Capacity was allocated under paragraph ~~2.3.20~~2.3.23;
 - (3) the weighted average inter-ASEP exchange rate for each combination of Recipient ASEP and Donor ASEP utilised for the purposes of paragraph ~~2.3.20~~2.3.23.

TD PART IIC

Add new paragraph 1.1.8 to read as follows:

1.1.8 TPD Section B2.3

National Grid NTS will invite applications (and Users may make applications) for Monthly NTS Entry Capacity in ~~May 2008 and allocate Monthly NTS Entry Capacity in respect of June 2008~~ accordance with the provisions of TPD Section B2.3 which applied immediately prior to the implementation of the Modification which ~~first gives~~gave effect to this paragraph ~~4.1.8-1.1.8~~ ("old B2.3") for each calendar month prior to the relevant month in respect of which National Grid NTS first issues a rolling monthly surrender invitation and rolling monthly invitation; and:

- (a) National Grid NTS may in the same calendar month issue an invitation pursuant to old B2.3 and (in respect of a different calendar month) TPD Section B2.3.3 and B2.3.10;
- (b) the first invitations to be issued by National Grid NTS pursuant to TPD Section B2.3.3 and B2.3.10 may be issued earlier than the month preceding the month to which the invitations relate.