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Market Operation

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[dependant on decision date]

Dear Colleague

### **General Information only on the Bacton Capacity Reallocation Invitation Process**

**Please note if you do not hold any Registered NTS Entry Capacity at the Bacton ASEP from 1 November 2015 onwards there is no action required.**

Following implementation of UNC Modification 0501CV National Grid Gas plc ("National Grid") will invite all Users who hold Registered NTS Entry Capacity at the Bacton ASEP for one or more of the calendar months November 2015 to September 2016 and for one or more of the quarters beginning 1 October 2016 and ending 30 September 2031, to take part in the Bacton Capacity Return and Initial Reallocation Invitation Process to return NTS Entry Capacity Rights (up to a Maximum Return Percentage<sup>1</sup>) and to reallocate their Residual Capacity as either NTS Entry Capacity at the Bacton UKCS ASEP and/or NTS Interconnection Point Entry Capacity at the Bacton IP ASEP. Bacton Users that are also Transferor Users will be invited to indicate where they wish their existing NTS Capacity Transfers<sup>2</sup> to be split between the two new ASEPs.

Users who hold Registered NTS Entry Capacity at the Bacton ASEP from 1 November 2015 onwards and Transferor Bacton Users who hold NTS Entry Capacity Transfers from 1 November 2015 onwards will be notified of their existing capacity and existing capacity transfers held at Bacton. Users will be invited to specify the quantity of their existing Registered NTS Entry Capacity they want to return to National Grid (up to a maximum of the Maximum Return Percentage<sup>1</sup>) and to indicate where they wish their remaining existing Registered NTS Entry Capacity (Residual Capacity) and existing NTS Capacity Transfers to be reallocated to the Bacton UKCS or Bacton IP ASEPS.

#### **Initial Capacity Reallocation Process**

All returned capacity will be cancelled<sup>3</sup>.

If the Initial Capacity Reallocation Process fully reallocates all Residual NTS Entry Capacity for all Months/Quarters to the two new ASEPs, National Grid will undertake the reallocation of Registered NTS Entry Capacity and recreate NTS Capacity Transfers at the Bacton UKCS or Bacton IP ASEPs on each Users' behalf, Users will not be required to undertake any actions on National Grid's systems and no further invitations will be issued.

If, however, the Initial Capacity Reallocation Process does not fully reallocate all Residual NTS Entry Capacity for all Months/Quarters to the two new ASEPs, National Grid will subsequently issue a Bacton Capacity Final Reallocation Invitation to all Users holding Residual NTS Entry Capacity at the Bacton ASEP for the

<sup>1</sup> The Maximum Return Percentage is 72.77%; this is the Obligated level of NTS Entry Capacity at the Bacton IP ASEP in proportion to the aggregated level of Obligated NTS Entry Capacity across both new ASEPs.

<sup>2</sup> Only where a User is a Transferor User.

<sup>3</sup> The User will be relieved of any transportation charges that would otherwise pertain to it.

Months/Quarters oversubscribed only, to re-indicate where they would wish their Residual NTS Entry Capacity rights and their NTS Capacity Transfers<sup>4</sup> to be held in future; either at the Bacton UKCS ASEP or the Bacton IP ASEP. Again National Grid will undertake the reallocation of Residual NTS Entry Capacity and NTS Capacity Transfers to the two new ASEPs on the Users' behalf, and the User will not be required to undertake any actions on National Grid's systems.

National Grid's IT systems will be updated by 30 September 2015.

Please see the process timeline below.

Process Steps	Initial Invite	Users Response by <sup>5</sup>	NG notify results by	Final Invite by	Users Response by <sup>5</sup>	NG notify Results by	Systems Updated by
Date							

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list). An Automated Notification Service (ANS) message will also be issued informing Users that the invitation has been issued.

For avoidance of doubt, expressions used within this letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries regarding this application process please contact a member of the capacity auctions team on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,

B Charles  
Market Operation, National Grid

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<sup>4</sup> Only where User is a Transferor User

<sup>5</sup> Users can submit their requests between 08.00hrs and 17.00hrs for each Business Day (xx xx xx xx xx xx xx xx xx xx)

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[ dependant on process start date ]

Dear [User A]

**Bacton Capacity Return and Initial Reallocation Invitation Process**  
**Invitation to participate in the Initial Capacity Reallocation of existing Registered NTS Entry**  
**Capacity at Bacton from 1 November 2015 onwards**

Following on from the information note sent [xx xxx xxxx], the implementation of UNC Modification 0501CV National Grid Gas plc ("National Grid") invites you to take part in the Bacton Capacity Return and Initial Reallocation Invitation Process to return to National Grid some (up to a maximum of the 72.77% Maximum Return Percentage) of your Registered NTS Entry Capacity at the Bacton ASEP, and to reallocate your remaining Residual Capacity and your existing NTS Capacity Transfers<sup>1</sup> at the Bacton ASEP to the Bacton UKCS or Bacton IP ASEPs for one or more of the calendar months from November 2015 to September 2016 and for one or more of the quarters beginning 1 October 2016 and ending 30 September 2031.

Your existing Registered NTS Entry Capacity rights at the Bacton ASEP and the existing weighted average price for that capacity for the relevant periods are detailed in the following table:

<b>BA Code:</b>	AAA	<b>Shipper Name:</b>	User A
<b>Sub-transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>Existing Registered NTS Entry Capacity at Bacton ASEP (kWh/d)</b>	<b>Existing weighted average price (p/kWh/d)</b>
1 Nov 2015	30 Nov 2015		
1 Dec 2015	31 Dec 2015		
1 Jan 2016	31 Jan 2016		
1 Apr 2031	30 Jun 2031		
1 Jul 2031	30 Sep 2031		

<sup>1</sup> Only where the Bacton User is the Transferor User

Your existing NTS Capacity Transfers<sup>1</sup> are detailed in the following table:

BA Code	AAA	Shipper Name	User A
<b>Sub transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>Existing NTS Entry Capacity Transfer at Bacton ASEP</b>	<b>Transferee</b>
1 Nov 2015	30 Nov 2015		
1 Dec 2015	31 Dec 2015		
1 Jan 2016	31 Jan 2016		
↓	↓		
1 Apr 2031	30 Jun 2031		
1 July 2031	30 Sep 2031		

Please could you indicate what quantity (up to a maximum of 72.77%<sup>2</sup>) of your Registered NTS Entry Capacity you want to return to National Grid, and at which ASEP (Bacton UKCS or Bacton IP) you wish the quantity of the Residual NTS Entry Capacity and NTS Entry Capacity Transfers to be held in future for the relevant periods indicated using the attached proforma included within Appendix 1.

**Please note**

- the total quantity of NTS Entry Capacity that you request at the two new ASEPs (Bacton UKCS and Bacton IP) should be equal to your Residual Capacity at the existing Bacton ASEP for each relevant period.
- the quantity of NTS Entry Capacity to be returned must not exceed the Maximum Return Percentage (72.77%)
- the Residual Capacity must not be less than the Minimum Retention Percentage (27.23%)<sup>3</sup>
- the total quantity of NTS Entry Capacity Transfers that you request at the two new ASEPs (Bacton UKCS and Bacton IP) should not be greater than the lesser of either your existing quantity of NTS Entry Capacity Transfers or your Residual Capacity at the Bacton ASEP for each relevant period
- the Transferor User is to provide the Transferee and quantity by relevant ASEP by period (Month or Quarter)

**Users can submit their completed proforma between 08.00hrs and 17.00hrs on each of the following 10 Business Days (xx xx xx xx xx xx xx xx xx xx) via the following facsimile number:**

**Direct fax: +44 (0)1926 654059**

**Please note the completed proforma should be returned to National Grid no later than 17.00 [xx]**

No later than 5 Business Days following the final date for the return of the Appendix 1 proforma, National Grid will undertake the Initial Capacity Reallocation process which consists of the following steps:

- National Grid will cancel any returned capacity<sup>4</sup>
- National Grid will scale down a User's requests where a User specifies a quantity of NTS Entry Capacity to be returned which exceeds the Maximum Return Percentage. The returned quantity will be scaled down to match the Maximum Return Percentage.

<sup>2</sup> This percentage is the Obligated level of NTS Entry Capacity at the Bacton IP ASEP in proportion to the aggregate Obligated level of NTS Entry Capacity across both new Bacton ASEPs.

<sup>3</sup> The Minimum Retention Percentage is the Obligated level of NTS Entry Capacity at Bacton IP ASEP in proportion to the aggregate Obligated level of NTS Entry Capacity across both new Bacton ASEPs (27.23%)

<sup>4</sup> If a User specifies a quantity of NTS Entry Capacity to be returned which exceeds the Maximum Return Percentage (72.22%), the default is that the quantity to be returned to National Grid will be automatically scaled down to match the Maximum Return Percentage of 72.77%

- c. The quantity of NTS Entry Capacity specified to be returned by the User shall be added to the quantity of NTS Entry Capacity specified to be reallocated by the User. If that aggregate quantity:
- i. exceeds 100% of that User's existing NTS Entry Capacity, then the quantity of Residual Capacity nominated by the User shall be scaled-down: or
  - ii. is less than 100% of that User's existing NTS Entry Capacity, then the quantity of Residual Capacity nominated by the User shall be scaled-up
- such that the aggregate quantity of returned NTS Entry Capacity and nominated Residual Capacity equals 100% of that User's existing NTS Entry Capacity. In each case the quantity of Residual Capacity subjected to such scale-down or scale-up shall by default, be automatically allocated to the new Bacton ASEPs in proportion to the individual split specified by the User in response to the invitation.
- d. National Grid will calculate the aggregate level of NTS Entry Capacity rights requested by Users for each Month/Quarter at the Bacton UKCS ASEP and the Bacton IP ASEP
- e. Provided that the aggregate level of NTS Entry Capacity rights requested is below the relevant Obligated level of NTS Entry Capacity at each of the Bacton UKCS ASEP and the Bacton IP ASEP for a given Month/Quarter, National Grid will allocate that NTS Entry Capacity and NTS Capacity Transfers in accordance with the User's individual requests
- f. If in any Month/Quarter and at either ASEP, the aggregate level of NTS Entry Capacity rights is above the relevant Obligated level of NTS Entry Capacity, National Grid will not allocate any NTS Entry Capacity rights to Users for that Month or Quarter (but will allocate for the other Months or Quarters that are below the obligated level)
- g. National Grid will publish (via the Joint Office) the aggregate results of the Initial Capacity Reallocation to all Users, and will fax directly the individual reallocations and individual returned capacity to the individual User for each of the two new ASEPs. This note will contain:
- i. Relevant Months or Quarters
  - ii. ASEP
  - iii. Quantity in kWh/day allocated
- h. National Grid will also inform relevant Users of any Months or Quarters which are not reallocated as the aggregate level of NTS Entry Capacity rights requested was above the relevant Obligated level of NTS Entry Capacity at either new ASEP and therefore that a second invitation (the Bacton Capacity Final Reallocation Invitation) will be issued.

If the Initial Capacity Reallocation fully reallocates all Residual Capacity for all Months/Quarters to the two new ASEPs, National Grid will undertake the reallocation of Registered NTS Entry Capacity and NTS Capacity Transfers at the Bacton ASEP on your behalf as per your request and the process will be completed. This will not require any User to undertake any actions on National Grid's systems or for National Grid to issue any further invitation to Users.

If, however, the Initial Capacity Reallocation does not fully reallocate all Residual Capacity for all Months/Quarters to the two new ASEPs, National Grid will issue [on dependant on when process started ], for Months/Quarters that are oversubscribed only, a Bacton Capacity Final Reallocation Invitation to all Users who at that time hold Registered NTS Entry Capacity at the Bacton ASEP for the particular Months/Quarters affected to re-indicate where they would wish their Residual Capacity rights and where applicable their NTS Entry Capacity Transfers to be held in future; either at the Bacton UKCS ASEP or the Bacton IP ASEP.

National Grid will endeavour to contact you if you do not respond or respond incorrectly,<sup>5</sup> however if a correct response is not received by 17:00pm on xxx, National Grid will assume that you wish to reallocate your Residual Capacity for each of the relevant months or quarters for which you hold Registered NTS Entry Capacity between the Bacton UKCS ASEP and the Bacton IP ASEP in the same proportion as given by the new Licence Obligated levels at the two ASEPs and the Transfer quantity in the same proportion as the Transferor User's split of their Residual Capacity.

National Grid's systems will be updated by 30 September 2015

For avoidance of doubt, expressions used within this Invitation Letter should be interpreted as having the same meaning as per the UNC Document.

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<sup>5</sup> A User cannot request reallocation of a quantity less than or greater than their Registered NTS Entry Capacity for the month/Quarter in question or their Registered NTS Entry Capacity at the Bacton ASEP. A Transferor User cannot request reallocation of a quantity of NTS Entry Capacity Transfers greater than the lesser of, either their existing quantity of NTS Entry Capacity Transfers for the Month/Quarter in question or their Registered NTS Entry Capacity at the Bacton ASEP.

If you have any queries regarding this application process please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,

B Charles  
Market Operation, National Grid

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## APPENDIX 1

### Bacton Reallocation Process – Initial Capacity Reallocation

Capacity Team, Warwick	Tel: 01926 65 4057	Fax: 01926 65 4059
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Sub-transaction period start date	Sub-transaction period end date	Returned Capacity	NTS Entry Capacity to be registered at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity to be registered at Bacton IP ASEP (kWh/d)
1 Nov2015	30 Nov 2015			
1 Dec 2015	31 Dec2015			
1 Jan 2016	31 Jan 2016			
↓	↓			
↓	↓			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

<b>BA Code : (i.e. Gemini 3 letter code)</b> _____ <b>Shipper name</b> _____				
<b>Confirm that the following transfers are to be reallocated to the Bacton UKCS or Bacton IP ASEP</b>				
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	Transferee
1 Nov2015	30 Nov 2015			
1 Dec 2015	31 Dec2015			
1 Jan 2016	31 Jan 2016			
↓	↓			
↓	↓			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

Please complete:

Fax Originated By		Fax Received By	
Company		On Behalf Of	National Grid
Signature		Signature	
Position		Position	
Date		Date	
Tel No		Tel No	01926 65 4057
Fax No		Fax No	01926 65 4059

**Please note: Illegibility and/or failure to complete the proforma correctly will result in NON input of data**  
National Grid Gas plc. Registered in England. No 2006000. Registered Office 1-3, Strand, London, WC2N 5EH

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[dependant on start date]

Dear [User A]

**Results of Reallocation and Return of existing Registered NTS Entry Capacity at Bacton from 1 November 2015 onwards (following Initial Capacity Reallocation)**

Please find the results of the Initial Capacity Reallocation showing confirmation of the cancellation of returned capacity quantities, and your individual reallocations of Residual NTS Entry Capacity and NTS Entry Capacity Transfers<sup>1</sup> for each of the two new ASEPs. This information is found within Appendix 1, which displays;

- i. Relevant Months or Quarters
- ii. ASEP
- iii. Quantity in kWh/day allocated

**This does not require any User to undertake any actions on National Grid's systems**

(if all periods allocated use next paragraph)

Please note

- all returned capacity<sup>2</sup> will be cancelled<sup>3</sup>
- for all Months/Quarters the aggregated requests were below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP, therefore all of the Residual Capacity and NTS Capacity Transfers<sup>1</sup> have been fully reallocated to the two new ASEPs as per User's requests.

The above information is found in the attached Appendix 1. No further invitations will be issued as the reallocation process is now completed. IT systems will be updated by National Grid by 30<sup>th</sup> September 2015.

(if some periods oversubscribed use next 2 paragraphs)

Please note

- all returned capacity<sup>2</sup> will be cancelled<sup>3</sup>
- for all Months/Quarters where the aggregated requests are below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP, the Residual Capacity and NTS Capacity Transfers<sup>1</sup> for these Months/Quarters have been reallocated to the new ASEPs as per User requests. This information is found in the attached Appendix 1.
- for all Months/Quarters where the aggregate level of NTS Entry Capacity rights requested are above the relevant Obligated level of NTS Entry Capacity at either the Bacton UKCS ASEP or the Bacton IP ASEP no reallocations have been made. These specific Months/Quarters are marked as "oversubscribed" within the attached Appendix 1.

<sup>1</sup> Where Transferor User only

<sup>2</sup> Up to the Maximum Return Percentage of 72.77% (the Obligated level of NTS Entry Capacity at the Bacton ASEP in proportion to the aggregated level of Obligated NTS Entry Capacity across both new ASEPs)

<sup>3</sup> The User will be relieved of any transportation charges that would otherwise pertain to it.

National Grid will now issue [xxx dependent on implementation date] a Bacton Capacity Final Reallocation Invitation to all Users who hold Registered NTS Entry Capacity at the Bacton ASEP, for the Months/Quarters that are marked as “oversubscribed”. Affected Users can re-indicate where they wish their Registered NTS Entry Capacity rights and NTS Capacity Transfers<sup>1</sup> to be held in future; either at the Bacton UKCS ASEP or the Bacton IP ASEP. The Final Capacity Reallocation will take place by [dependant on process trigger date] such that the whole process is anticipated to be completed by [30 September 2015].

For avoidance of doubt, expressions used within this letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,

[B Charles]  
Market Operation, National Grid

### Appendix 1

<b>Results of Initial Capacity Reallocation</b>				
<b>BA Code:</b> (i.e. Gemini 3 letter code) _____				
Shipper Name _____				
National Grid confirms that the following firm Registered NTS Entry Capacity is either returned to National Grid or reallocated to the <b>Bacton UKCS or Bacton IP ASEP</b> Where “oversubscribed” is indicated no reallocations have been made.				
Sub-transaction period start date	Sub-transaction period end date	Cancelled Returned Capacity	NTS Interconnection Point Entry Capacity reallocated at Bacton UKCS ASEP (kWh/d)	NTS Interconnection Point Entry Capacity reallocated at Bacton IP ASEP (kWh/d)
1 Nov 2015	30 Nov 2015			
1 Dec 2015	31 Dec 2015			
1 Jan 2016	31 Jan 2016			
1 Jan 2031	31 Mar 2031			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

**Results of Initial Capacity Reallocation for NTS Capacity Transfers**

**BA Code:** (i.e. Gemini 3 letter code) \_\_\_\_\_  
 Shipper Name \_\_\_\_\_

National Grid confirms that the following NTS Entry Capacity Transfers are reallocated to the **Bacton UKCS or Bacton IP ASEP**  
 Where "oversubscribed" is indicated no reallocations have been made.

Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	Transferee
1 Nov 2015	30 Nov 2015			
1 Dec 2015	31 Dec 2015			
1 Jan 2016	31 Jan 2016			
1 Jan 2031	31 Mar 2031			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

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[ dependant on process trigger]

Dear Colleague

**Aggregate Results of Bacton Capacity Reallocation of existing Registered NTS Entry Capacity at Bacton from 1 November 2015 onwards (following Initial Reallocation Process)**

Please find the results of the Initial Capacity Reallocation showing the capacity quantities returned to National Grid and the **aggregated** reallocation of Residual NTS Entry Capacity for each of the two new ASEPs. This information is found in Appendix 1, attached, and displays:

- i. Relevant Months or Quarters
- ii. ASEP
- iii. Quantity in kWh/day allocated

**This does not require any User to undertake any actions on National Grid's systems**

(if all allocated use next paragraph)

Please note

- all returned capacity to National Grid will be cancelled
- for all Months/Quarters the **aggregated** requests were below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP, therefore all of the Residual NTS Entry Capacity has been fully reallocated to the two new ASEPs.

This information is displayed in the attached Appendix 1. The reallocation process is now completed and National Grid will update the IT systems by 30<sup>th</sup> September 2015

(if oversubscribed use next 2 paragraphs)

- all returned capacity to National Grid will be cancelled for all Months/Quarters where the **aggregated** requests were below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP, the Residual NTS Entry Capacity for these Months/Quarters has been reallocated to the new ASEPs as per User requests. This information is found in Appendix 1 below.
- for all Months/Quarters where the aggregate level of NTS Entry Capacity rights requested are above the relevant Obligated level of NTS Entry Capacity at either the Bacton UKCS ASEP or the Bacton IP ASEP no reallocations have been made These specific Months/Quarters are marked as "oversubscribed" within the Appendix 1 below..

National Grid will now issue on [dependant on process trigger date xxx] a Bacton Capacity Final Reallocation Invitation to all Users who hold Registered NTS Entry Capacity at the Bacton ASEP for the Months/Quarters that are oversubscribed. Affected Users can re-indicate where they wish their Registered NTS Entry Capacity rights and NTS Capacity Transfers<sup>1</sup> to be held in future; either at the Bacton UKCS ASEP or the Bacton IP ASEP. The

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<sup>1</sup> Where Transferor User only

Final Capacity Reallocation will take place by [dependent upon process trigger date] such that the whole process is anticipated to be completed by [30th September 2015].

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list).

For avoidance of doubt, expressions used within this letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

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[Dependant on process trigger date]

Dear [User A]

**Bacton Capacity Final Reallocation Invitation Process**

**Invitation to participate in the Final Capacity Reallocation of existing Registered NTS Entry Capacity at Bacton from 1 November 2015 onwards**

As the Initial Capacity Reallocation Process could not fully reallocate all existing Registered NTS Entry Capacity, at the Bacton ASEP to the Bacton UKCS or Bacton IP ASEPs, for all periods from 1 November 2015 onwards, we are inviting you to take part in the Bacton Capacity Final Reallocation Invitation Process for those Months/Quarters that could not be fully allocated.

No reallocations, for the specific periods shown in the table below, could be made as the aggregated requests received via the Initial Invitation were above the relevant Obligated level for one of the two ASEPs. We are requesting all Users who hold Residual Capacity and NTS Capacity Transfers<sup>1</sup> at the Bacton ASEP for the relevant periods to re-indicate where they would wish this capacity to be reallocated.

Your existing Registered NTS Entry Capacity rights at the Bacton ASEP and the existing weighted average price for that capacity for the relevant periods are detailed in the following table:

<b>BA Code:</b>	AAA	<b>Shipper Name:</b>	User A
<b>Sub-transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>Residual NTS Entry Capacity at Bacton ASEP (kWh/d)</b>	<b>Existing weighted average price (p/kWh/d)</b>
1 Nov 2015	30 Nov 2015		
1 Dec 2015	31 Dec 2015		
1 Jan 2016	31 Jan 2016		
1 Apr 2031	30 Jun 2031		

<sup>1</sup> Where User is Transferor only

<b>BA Code:</b>	AAA	<b>Shipper Name:</b>	User A
<b>Sub-transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>Residual NTS Entry Capacity at Bacton ASEP (kWh/d)</b>	<b>Existing weighted average price (p/kWh/d)</b>
1 Jul 2031	30 Sep 2031		

Your existing NTS Capacity Transfers<sup>1</sup> are detailed in the following table:

<b>BA Code</b>	<b>AAA</b>	<b>Shipper Name</b>
<b>Sub-transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>Existing NTS Entry Capacity at Bacton ASEP (kWh/d)</b>
1 Nov 2015	30 Nov 2015	
1 Dec 2015	31 Dec 2015	
1 Jan 2016	31 Jan 2016	
1 Apr 2031	30 Jun 2031	
1 Jul 2031	30 Sep 2031	

Please could you indicate using the attached proforma included Appendix 1

- at which ASEP (Bacton UKCS or Bacton IP) you wish this Residual Capacity and NTS Capacity Transfers<sup>1</sup> to be held in future for the relevant periods stated
- and in the event being allocated capacity in excess of the quantity you request at either the Bacton UKCS or Bacton IP ASEP, the allocation is capped at the requested level and the excess capacity is returned<sup>2</sup> to National Grid

**Please note**

- the total quantity of NTS Entry Capacity requested at the two new ASEPs (Bacton UKCS and Bacton IP) should be equal to the Residual amount held at the Bacton ASEP for each relevant period.
- the total quantity of NTS Entry Capacity Transfers<sup>1</sup> that you request at the two new ASEPs (Bacton UKCS and Bacton IP) should not be greater than the lesser of either your existing quantity of NTS Entry Capacity Transfers or your Residual NTS Entry Capacity for each relevant period
- as the Transferor User please provide the name of the Transferee User and quantity by relevant ASEP by period (Month or Quarter)

**Users can submit their completed proforma between 08.00hrs and 17.00hrs on each of the following 10 Business Days (xx xx xx xx xx xx xx xx xx xx) via the following facsimile number:**

**Direct fax: +44 (0)1926 654059**

**Please note the completed proforma should be returned to National Grid no later than 17.00 [xx]**

No later than 5 Business Days following the close out date [xxxx] for responses, National Grid will undertake the Final Capacity Reallocation process which consists of the following steps:

- National Grid will calculate the aggregate level of NTS Entry Capacity rights requested by Users for each relevant Month/Quarter at the Bacton UKCS ASEP and the Bacton IP ASEP

<sup>2</sup> The User will be relieved of any transportation charges that would otherwise pertain to it.



- b. Provided that the aggregate level of NTS Entry Capacity rights requested is below the relevant Obligated level at each of the Bacton UKCS ASEP and the Bacton IP ASEP for the particular Month/Quarter, National Grid NTS will allocate that NTS Entry Capacity and NTS Capacity Transfers in accordance with the User's individual requests
- c. If in any Month/Quarter and at either ASEP, the aggregate level of NTS Entry Capacity rights requested is above the relevant Obligated level of NTS Entry Capacity, National Grid NTS will allocate the relevant NTS Entry Capacity for that Month/ASEP or Quarter/ASEP combination pro rata the aggregate amount applied for by all Users. The Users' remaining NTS Entry Capacity after the proration has taken place will be allocated to the other new Bacton ASEP (Bacton UKCS or Bacton IP as relevant). Where a User has specified that the allocation of its Residual Capacity at a new Bacton ASEP should be capped at the requested level, the excess of the requested level shall be returned<sup>2</sup> to National Grid
- d. If there is insufficient Residual Capacity reallocated to the prorated new Bacton ASEP to fully meet a NTS Capacity Transfer requested
- The quantity requested by the Transferor User for each Transfer will be deemed to be reduced proportionately so the sum of the reduced quantities is equal to the prorated Residual Capacity
  - For clarity the reduction quantity (or quantities) will not be allocated to a Transfer at the non-prorated new Bacton ASEP
- e. National Grid will write to relevant Users to inform the results of the Final Capacity Reallocation and show the User's individual reallocations of NTS Entry Capacity for each of the two new ASEPs providing:
- Relevant Months or Quarters
  - ASEP
  - Quantity in kWh/day
- f. National Grid will write to all Users to inform the aggregate results of the completed process

Please note if you do not respond or provide a non-compliant response<sup>3</sup> by the required date National Grid will endeavour to contact you, however if a compliant response is not received by 17.00pm on xxxx a default will be applied i.e. National Grid will assume that the User wants to reallocate its capacity in the same proportion as given by the Obligated levels at the two ASEPs and the Transfer quantity in the same proportion as the User's split of their primary holdings.

No later than 5 Business Days following the application of the Final Capacity Reallocation process outlined above (and taking account the results of the Initial Capacity Reallocation process), National Grid will undertake the cancellation and reallocation of your Registered NTS Entry Capacity and NTS Capacity Transfers<sup>1</sup> at the Bacton ASEP on your behalf for all the months from 1 November 2015 until 30 September 2016 and for the quarters from 1 October 2016 until 30 September 2031. **This will not require any User to undertake any actions on National Grid's systems or for National Grid to issue any general invitation to Users.**

The whole process will be completed by [30th September 2015].

For avoidance of doubt, expressions used within this Invitation Letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries regarding this application process please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,

[B Charles]

---

<sup>3</sup> A User cannot request reallocation of a quantity less than or greater than their Registered NTS Entry Capacity for the month/Quarter in question or their Registered NTS Entry Capacity at the Bacton ASEP. A Transferor User cannot request reallocation of a quantity of NTS Entry Capacity Transfers greater than the lesser of, either their existing quantity of NTS Entry Capacity Transfers for the Month/Quarter in question or their Registered NTS Entry Capacity at the Bacton ASEP.

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## APPENDIX 1

### Bacton Reallocation Process – Final Capacity Reallocation

Capacity Team, Warwick	Tel: 01926 65 4057	Fax: 01926 65 4059
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<b>BA Code:</b> (i.e. Gemini 3 letter code) _____ Shipper Name _____				
confirm that the following firm entitlements are to be reallocated to the <b>Bacton UKCS or Bacton IP ASEP</b>				
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity to be registered at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity to be registered at Bacton IP ASEP (kWh/d)	Confirmation that the allocation of capacity is capped at the level requested
				Yes / No
				Yes / No
				Yes / No
				Yes / No

<b>BA Code :</b> (i.e. Gemini 3 letter code) _____ Shipper name _____				
Confirm that the following transfers are to be reallocated to the <b>Bacton UKCS or Bacton IP ASEP</b>				
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	Transferee
1 Nov2015	30 Nov 2015			
1 Dec 2015	31 Dec2015			
1 Jan 2016	31 Jan 2016			
↓	↓			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

Fax Originated By		Fax Received By	
Company		On Behalf Of	National Grid
Signature		Signature	
Position		Position	
Date		Date	
Tel No		Tel No	01926 65 4057
Fax No		Fax No	01926 65 4059

**Please note: Illegibility and/or failure to complete the proforma correctly will result in NON input**  
National Grid Gas plc. Registered in England. No 2006000. Registered Office 1-3, Strand, London, WC2N 5EH

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[B Charles]  
[Senior Capacity Auction analyst]  
Market Operation

[capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Direct tel: +44 (0)1926 654057

Direct fax: +44 (0)1926 654059

[www.nationalgrid.com](http://www.nationalgrid.com)

[ Dependant on process start date]

Dear [User A]

**Results of the Final Capacity Reallocation of existing Registered NTS Entry Capacity at Bacton from 1 November 2015 onwards (following Final Reallocation Process)**

Please find the results of the Final Capacity Reallocation which show the User's individual reallocations of NTS Entry Capacity for each of the two new ASEPs in the format below and the returned capacity quantities<sup>1</sup>

- i. Relevant Months or Quarters
- ii. ASEP
- iii. Quantity in kWh/day allocated

**This does not require any User to undertake any actions on National Grid's systems**

For all Months/Quarters where the aggregated requests in the Final Capacity Reallocation process are below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP the existing Registered NTS Entry Capacity and NTS Capacity Transfers for these Months/Quarters have been reallocated to the new ASEPS as per User requests.

For all Months/Quarters where the aggregate level of NTS Entry Capacity rights requested are above the relevant Obligated level of NTS Entry Capacity at either the Bacton UKCS ASEP or the Bacton IP ASEP, National Grid NTS has allocated the relevant Residual Capacity for that Month/ASEP or Quarter/ASEP combination pro rata to the aggregate amount requested by all Users. The Users remaining Residual Capacity after the proration has taken place has been allocated to the other new Bacton ASEP, unless a User has specified that the allocation of its Residual Capacity at a new Bacton ASEP should be capped at the requested level and then the excess capacity has been returned to National Grid.

Where there is insufficient Registered Capacity reallocated to the prorated new Bacton ASEP to fully meet a NTS Capacity Transfer requested the Transfer request will be reduced proportionately so that the some of the reduced quantities is equal to the prorated Residual Capacity<sup>2</sup>.

**Results of Final Capacity Reallocation for Registered Capacity**

BA Code: (i.e. Gemini 3 letter code) \_\_\_\_\_

Shipper Name \_\_\_\_\_

National Grid confirms that the following NTS Entry Capacity is reallocated to the **Bacton UKCS or Bacton IP ASEP**

<sup>1</sup> Where the aggregated level of Residual Capacity requested was above the relevant Obligated level of Capacity, National Grid undertook proration and where the User specified that the allocation of its Residual Capacity should be capped at the requested level, the excess capacity is returned to National Grid.

<sup>2</sup> The reduction quantity will not be allocated to an NTS Entry Capacity Transfer at the non-prorated new Bacton ASEP

Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity reallocated at Bacton UKCS ASEP (kWh/d)	NTS Entry Capacity reallocated at Bacton IP ASEP (kWh/d)	Returned Capacity <sup>1</sup>
1 Nov 2015	30 Nov 2015			
1 Dec 2015	31 Dec 2015			
1 Jan 2016	31 Jan 2016			
↓	↓			
1 Jan 2031	31 Mar 2031			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

<b>Results of Final Capacity Reallocation for NTS Entry Capacity Transfers</b>				
<b>BA Code:</b> (i.e. Gemini 3 letter code) _____				
Shipper Name _____				
National Grid confirms that the following NTS Entry Capacity Transfers are reallocated to the <b>Bacton UKCS or Bacton IP ASEP</b>				
Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity Transfers to be allocated at Bacton UKCS ASEP (kWh/d)	NTS Entry Capacity Transfers to be allocated at Bacton IP ASEP (kWh/d)	Transferee
1 Nov 2015	30 Nov 2015			
1 Dec 2015	31 Dec 2015			
1 Jan 2016	31 Jan 2016			
↓	↓			
1 Jan 2031	31 Mar 2031			
1 Apr 2031	30 Jun 2031			
1 Jul 2031	30 Sep 2031			

National Grid NTS will, no later than 30<sup>th</sup> September 2015, update systems accordingly.

For avoidance of doubt, expressions used within this letter should be interpreted as having the same meaning as per the UNC Document.

If you have any queries please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,

[B Charles]  
Market Operation, National Grid

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[ Dependant on start date of process]

Dear Colleague

**Aggregate Results of the completed Bacton Capacity Reallocation Process**

Please find the results of the Bacton Capacity Reallocation showing the aggregated reallocation of NTS Entry Capacity for each of the two new ASEPs, providing:

- i. Relevant Months or Quarters
- ii. ASEP
- iii. Quantity in kWh/day allocated

**This does not require any User to undertake any actions on National Grid's systems**

Please note

- for all Months/Quarters where the aggregated requests are below the Obligated level of either the Bacton UKCS ASEP or the Bacton IP ASEP, the Residual NTS Entry Capacity has been fully reallocated to the two new ASEPs as per User requests
- for all Months/Quarters where the aggregate level of NTS Entry Capacity rights requested are above the relevant Obligated level of NTS Entry Capacity at either the Bacton UKCS ASEP or the Bacton IP ASEP National Grid NTS has allocated the relevant NTS Entry Capacity for that Month/ASEP or Quarter/ASEP combination pro rata the aggregate amount applied for by all Users. The Users' remaining NTS Entry Capacity after the proration has taken place being
  - o allocated to the other new Bacton ASEP as relevant
  - o or, where a User has specified that the allocation of Residual Capacity at a new Bacton ASEP should be capped at the requested level the excess capacity has been returned to National Grid

**The reallocation process is now completed.**

For avoidance of doubt, expressions used within this letter should be interpreted as having the same meaning as per the UNC Document.

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list).

If you have any queries please contact a member of the capacity auctions team or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at [capacityauctions@nationalgrid.com](mailto:capacityauctions@nationalgrid.com)

Yours Sincerely,



### APPENDIX 1

#### Bacton Aggregate Reallocation Results following the Bacton Capacity Reallocation Process

Capacity Team, Warwick	Tel: 01926 65 4057	Fax: 01926 65 4059
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Sub-transaction period start date	Sub-transaction period end date	NTS Entry Capacity reallocated at Bacton UKCS ASEP (kWh/d)	NTS Interconnector Entry Capacity reallocated at Bacton IP ASEP (kWh/d)
1 Nov 2015	30 Nov 2015		
1 Dec 2015	31 Dec 2015		
1 Jan 2016	31 Jan 2016		
1 Feb 2016	29 Feb 2016		
1 Mar 2016	31 March 2016		
1 Apr 2016	30 Apr 3016		
1 May 2016	31 May 2016		
1 Jun 2016	30 Jun 2016		
1 Jul 2016	31 Jul 2016		
1 Aug 2016	31 Aug 2016		
1 Sep 2016	30 Sep 2016		
1 Oct 2016	31 Dec 2016		
1 Jan 2017	31 Mar 2017		
1 Apr 2017	30 Jun 2017		
1 Jul 2017	30 Sep 2017		
1 Oct 2017	31 Dec 2017		
1 Jan 2018	31 Mar 2018		
1 Apr 2018	30 Jun 2018		
1 Jul 2029	30 Sep 2029		
1 Oct 2029	31 Dec 2029		
1 Jan 2030	31 Mar 2030		
1 Apr 2030	30 Jun 2030		
1 Jul 2030	30 Sep 2030		
1 Oct 2030	31 Dec 2030		

<b>Sub-transaction period start date</b>	<b>Sub-transaction period end date</b>	<b>NTS Entry Capacity reallocated at Bacton UKCS ASEP (kWh/d)</b>	<b>NTS Interconnector Entry Capacity reallocated at Bacton IP ASEP (kWh/d)</b>
1 Jan 2031	31 Mar 2031		
1 Apr 2031	30 Jun 2031		
1 Jul 2031	30 Sep 2031		

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