

UNC 0752

Introduction of Weekly NTS Entry Capacity Auctions



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Why change?



- Shippers are required to book a unit of NTS Entry Capacity for every unit of gas entered onto the NTS. Capacity is booked via auctions as prescribed within UNC TPD Section B
- The current arrangements only provide quarterly, monthly or daily capacity auctions and this potentially restricts Shippers ability to book capacity efficiently where they:
 - Want to purchase capacity ahead of the DSEC auctions for planning purposes
 - Cannot rely on the DSEC auction availability due to risk of constraints from NGG
- Therefore, these Shippers would need to rely on the MSEC auctions to book capacity, which could lead to inefficient capacity bookings. This would increase the overall cost of NTS Entry Capacity for the Shipper, as well as limiting the amount of available capacity at the DSEC auction for other Users

Options



- The provision for NTS Entry Capacity auctions are contained within UNC TPD Section B, therefore, a UNC Modification would be required to implement a solution.

Solution



- Introduce a Weekly NTS Entry Capacity auction process which would be included within UNC TPD Section B
- The capacity available at the Weekly NTS Entry Capacity auction is:
 - Unsold NTS Entry Capacity (if any); plus
 - Incremental NTS Entry Capacity (if any)
- The Weekly NTS Entry Capacity auction would take place between 08:00 and 17:00 at D-9 (where D is the first gas day of the weekly period, being a Monday)
- The Weekly NTS Entry Capacity would be allocated by D-8
- The same reserve prices would apply as for other products, as defined within UNC TPD Section Y
- The Weekly NTS Entry Capacity will not have any impact on the current NTS Entry Capacity Auctions

Recommended Steps



- The Proposer recommends that this modification should be:
 - Subject to self-governance
 - Workgroup assessment to develop the modification for 3 months