

The Statement of Gas Transmission Transportation Charges

Effective from 1 October 2005

Issued 10th October 2005

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1. INTRODUCTION

Please note on 10th October 2005 Transco plc changed its name to National Grid Gas plc and trades as "National Grid". National Grid Gas is the owner and operator of the gas National Transmission System (NTS) in Great Britain, and is also the country's largest gas Distribution Network (DN).

The NTS is a network of pipelines, presently operated at pressures of up to 85 bar, which transports gas safely and efficiently from coastal terminals and storage facilities to exit points from the system. Exit points are predominantly connections to Distribution Networks (DNs), but also include storage sites, direct connections to some large volume consumers, and connections to other systems, such as interconnectors to other countries and Independent Gas Transporters (IGTs).

These operations are carried out to meet the needs of the companies that supply gas to domestic, commercial and industrial consumers and to power stations. In 2004/5 1,100 TWh of gas was transported to these customers.

This publication sets out the transportation charges which apply for the use of the National Grid Gas NTS pipeline network from 1 October 2005. Further information on the methods and principles on which Transmission transportation charges are derived is set out in **The Statement of the Transmission Transportation Charging Methodology**.

Details of National Grid Gas and its activities, can be found on National Grid Gas' Internet site at www.nationalgrid.com. An electronic version of this publication, along with **The Statement of the Transmission Transportation Charging Methodology** and **LDZ Transportation Charges for the Distribution Networks**, can be found on our web site.

2. NTS TRANSPORTATION CHARGES EFFECTIVE FROM 1 OCTOBER 2005

2.1 Introduction

This publication sets out the transportation charges which apply from 1 October 2005 for the use of the NTS, as required by Standard Special Condition A4 of National Grid Gas' Transmission Gas Transporter Licence. This document does not override or vary any of the statutory, licence or Network Code obligations upon National Grid Gas.

For more information on the charges set out below, please contact our UK Transmission Charging team on **01926 654633**.

2.1.1 Uniform Network Code

The Uniform Network Code (UNC) forms the contractual framework between NTS and DN Gas Transporters, and the shippers whose gas is transported. It is supported by an integrated set of computer systems called UK Link. The charges and formulae in this booklet will be used in the calculation of charges within UK Link, which are definitive for billing purposes.

There are a number of areas of the UNC that impact upon the cost to shippers of using the transportation network, such as imbalance charges, scheduling charges, capacity over-runs and ratchets, top-up neutrality charges and contractual liability. Reference should be made to the UNC – as modified from time to time – for details of such charges and liabilities.

2.1.2 Units

Commodity charges are expressed and billed in pence per kilowatt hour (kWh).

Capacity charges are expressed and billed in pence per peak day kilowatt hour per day.

Fixed charges are expressed and billed in pence per day.

2.1.3 Invoicing

Invoices derived from the transportation charges shown within this publication are produced and issued by xoserve. xoserve is the invoicing service provider to the NTS and DNs. To clarify this link between pricing and invoicing, charge codes and invoice names are included in the tables.

For more information on invoicing, please contact the xoserve invoicing team via email at xo_css_billing@xoserve.com.

2.1.4 The National Grid Gas NTS Transportation Price Control Formulae

Transportation charges are derived in relation to price control formulae which are set by Ofgem, the gas and electricity market regulator, for the transportation of gas. These formulae dictate the maximum revenue National Grid Gas can earn from the transportation of gas. Should National Grid Gas earn more or less than the maximum permitted revenue in any formula year, then a compensating adjustment is made in the following year. Where a significant over- or under-recovery is anticipated within a year an adjustment to charges may be made during the year.

Since April 2002 the price control for the NTS has been divided into Transportation Owner (TO) and System Operator (SO) controls. Transportation charges are split to reflect these price control arrangements.

For NTS TO revenue, the target is to recover 50% from exit capacity and 50% from entry capacity. Exit capacity charges reflect the estimated long run marginal cost (LRMC) of developing the system to meet a sustained increase in demand and are determined by the exit zone to which a particular offtake point belongs. Charges for entry capacity are not fixed but are determined by auctions which apply to all system entry points. For system entry capacity, the reserve prices for the auctions are based on the Unit Cost Allowance (UCA) for each existing entry point as set out in National Grid Gas' Transmission Gas Transporter Licence.

The unpredictability of entry auction revenue may mean that the TO revenue 50 / 50 split between entry and exit may not be achieved in practice. In the event of a forecast under-recovery of entry auction revenue against the entry target level, a TO commodity charge may be levied on entry flows.

SO revenue is recovered through the NTS SO commodity charge. This is a uniform charge, independent of entry and exit points, and is levied on both NTS entry and NTS exit flows. A distance-related commodity tariff, the optional NTS commodity charge, is also available as an alternative to both the SO and TO commodity charges.

2.1.5 Firm Transportation

Firm transportation charges for the NTS comprise capacity and commodity charges.

2.1.6 Interruptible Transportation

Interruptible transportation is available for supply points with Annual Quantities (AQs) of over 5,860 MWh per annum.

For supply points which have been nominated by a shipper as interruptible, the shipper will not pay the NTS (TO) exit capacity charge or the capacity element of the relevant LDZ charge. Where National Grid Gas nominates a supply point to be interrupted for more than 15 days in a particular year (measured from 1 April to 31 March) there is a transportation charge credit. For each day of interruption over 15 days, a transportation charge credit, equivalent to 1/15 of the annual NTS exit capacity and the relevant LDZ capacity charges avoided by having interruptible rather than firm transportation is payable to the shipper. National Grid Gas has the right to interrupt these supply points for up to 45 days each year. The business rules for interruptible supply points are detailed in **The Statement of the Transmission Transportation Charging Methodology**.

To help National Grid Gas run the network safely and securely the Network Code defines two special types of interruptible supply points. These are Network Sensitive Load (NSL) and Transporter Nominated Interruptible (TNI).

NSLs are supply points where specific interruption may be required to maintain the supply of gas to firm supply points in the same area.

TNIs are supply points where National Grid Gas reserves the right to interrupt for more than 45 days each year.

National Grid Gas offers a number of services related to interruptible supply points:

- Allocation arrangements allow more than one shipper / supplier to supply interruptible gas to sites with AQs in excess of 58,600 MWh per annum. This flexibility of supplier enables the end user to make greater use of the competitive market and allows for alternative provision of gas during commercial interruption. Further details of this service are given in Section 2.8.2.

- The Partial Interruption service is designed to allow shippers to reduce offtake rates at supply points (to predetermined levels agreed between the shipper and the end user) where capacity exists, so that the site remains on a part-load, where otherwise it would have been fully interrupted.

- The Interruptible Supply Point Firm Allowance (IFA) is available to all interruptible supply points. It allows a guaranteed supply of

14,600 kWh per day (this figure can be higher if the capacity is available), where this allowance is subject to normal firm transportation charges. This enables end users to maintain their critical processes when their supply is interrupted.

- Transfer of Firm Offtake Capability. This allows a shipper to release capacity allocated to a firm supply point in order to meet the requirements of an interruptible supply point during an interruption notice. This is subject to system constraints and other eligibility criteria.

Details of all the above interruption services are available from gas suppliers / shippers or from National Grid Gas Operations and Trading on **01455 893147**.

2.1.7 Theft of Gas

The licensing regime places incentives on transporters, shippers and suppliers to take action in respect of suspected theft of gas. Certain costs associated with individual cases of theft are recovered through transportation charges. National Grid Gas' charges reflect these requirements, with National Grid Gas remaining cash neutral in the process.

2.2 System Entry Capacity

For each of the system entry points capacity is made available on a firm and interruptible basis. All entry capacity is offered on a pence per kWh per day basis where the quantity is measured in terms of an end of day entitlement.

Interruptible capacity is limited to being offered on a daily basis in an auction that is conducted on the day ahead of the intended day of use.

Firm Entry Capacity is offered in bundles of quarters, months and days.

2.2.1 Quarterly System Entry Capacity

Entry capacity can be obtained through the Quarterly System Entry Capacity (QSEC) process up to 16 years ahead of the intended year of use. National Grid Gas has an obligation to make available a core baseline quantity which is calculated in accordance with paragraph 14(5)(g) of part 2 of Special Condition C8B of National Grid Gas' Transmission GT Licence. The baseline quantity from which National Grid Gas' obligation is derived is set out in Appendix 2B. The minimum quantities to be offered in the Annual System Entry Capacity auctions, after taking into account a GT Licence requirement to hold back some capacity for short term allocation, is detailed in Appendix 2C(ii).

For each of the system entry points National Grid Gas has determined a baseline price and an additional 20 price steps for increments of capacity that may be demanded above the baseline quantity, as set out in the Statement of the Transmission Transportation Charging Methodology. The step prices that are applicable for QSEC allocation are set out in Appendix 2D. Prices are published for each system entry point and are applicable for all periods in which QSEC is offered. Allocation of capacity will be conducted in accordance with the provisions set out in National Grid Gas' Incremental Entry Capacity Release (IECR) statement.

2.2.2 Monthly System Entry Capacity

For each of the system entry points Monthly System Entry Capacity (MSEC) is allocated by auction for a period no more than two years ahead of the period of use. The maximum quantities to be offered in MSEC allocations are also set out in Appendix 2C(i). MSEC auctions offer monthly tranches of firm capacity and are held in respect of each Aggregate System Entry Point (ASEP). Capacity is allocated in respect of each bid in descending price order starting at the highest bid until all monthly system entry capacity has been allocated or all valid bids

have been considered. Successful bidders are liable to pay the bid price of each accepted or part accepted bid.

Following the final annual MSEC auction in which capacity is offered for a capacity year, any remaining quantities of entry capacity may be bought in a series of Rolling Monthly System Entry Capacity (RMSEC) auctions. RMSEC auctions can be conducted within a capacity year. The quantities to be offered will be any unsold baseline capacity that is carried over from the annual MSEC allocations. Each allocation will be conducted on one of 5 business days preceding the last business day in a calendar month and the capacity offered in that allocation will be specific to the succeeding month only. As with annual MSEC the allocation is conducted on a pay as bid basis.

The lowest price that can be accepted in an MSEC allocation is the reserve price as set out in Table 2.2.4. (See section 2.2.4).

2.2.3 Daily System Entry Capacity

National Grid Gas offers two daily capacity services – a firm Daily System Entry Capacity service (DSEC) and a Daily Interruptible System Entry Capacity service (DISEC). Both services are offered through a tender process and are subject to minimum reserve prices. Successful bidders are liable to pay the bid price of each accepted or part accepted bid. Capacity is allocated, in respect of each bid, in descending price order until all capacity has been allocated or all valid bids have been considered.

The allocation of DSEC is initiated before the gas day and is repeated at intervals through to 02:00 hours on the gas day. Shippers may have up to 20 bids on the system at any one time. DSEC availability is presently defined in the Network Code as the amount, determined by National Grid Gas, by which system entry capacity exceeds firm system entry capacity held by shippers.

DISEC is allocated by means of a single tender that is held on the day before the gas day. Shippers may submit up to 20 applications for this capacity in respect of each ASEP.

DISEC consists of any unutilised booked monthly capacity on a day. National Grid Gas determines the availability of capacity after consideration of the daily allocation levels at each ASEP on the day before the gas day. If on a day, nominations from primary holders of firm capacity increase so that gas flow exceeds booked levels at an entry point, any DISEC service entitlements would be scaled back.

2.2.4 Entry Capacity Reserve Prices

To date all system entry capacity auctions have been subject to reserve prices.

The reserve prices applicable to MSEC and DSEC sold before the day are shown in Table 2.2.4. For DSEC sold on the day the reserve price has been set to zero since 1 October 2003. Reserve prices for DISEC are set at zero. The invoice and charge codes are:

Service	Invoice	Charge Code
MSEC	NTE	LTF
DSEC	NTE	DFC
DISEC	NTE	DIC

Table 2.2.4 Entry Capacity Reserve Prices for Capacity for use from 15 September 2005

Entry Point	Reserve Prices	
	Pence per kWh per day	
	MSEC	DSEC
Coastal Terminals & LNG Importation		
Bacton	0.0061	0.0040
Easington / Rough	0.0011	0.0007
Theddlethorpe	0.0010	0.0007
St Fergus	0.0215	0.0142
Teesside	0.0020	0.0013
Barrow	0.0005	0.0003
Isle Of Grain	0.0062	0.0041
Milford Haven	0.0115	0.0076
Onshore Fields and Connections		
Hatfield Moor	0.0014	0.0009
Wytech Farm	0.0000	0.0000
Burton Point	0.0001	0.0001
Hole House Farm	0.0001	0.0001
Storage		
Hatfield Moor	0.0014	0.0009
Hornsea	0.0051	0.0034
Glenmavis	0.0179	0.0118
Partington	0.0003	0.0002
Cheshire	0.0001	0.0001
Barton Stacey	0.0000	0.0000
Garton	0.0013	0.0009
Constrained LNG		
Avonmouth	0.0021	0.0014
Dynevor Arms	0.0000	0.0000

2.3 Constrained LNG

Shippers that book the constrained Liquefied Natural Gas (LNG) storage service, available from the LNG storage sites at Dynevor Arms, Isle of Grain and Avonmouth, undertake an obligation to provide transmission support gas to National Grid Gas on days of very high demand. In recognition of this, shippers receive a credit in respect of minimum booked storage deliverability. Full details of associated rules are available on request from National Grid Gas' LNG business unit. The credit is deducted from the charge for the storage service.

Entry Point	Credit
	Pence per registered kWh per day
	From 1 May 2005
Avonmouth LNG	0.0032
Dynevor Arms LNG	0.0000
Isle of Grain LNG	0.0000

2.4 NTS Exit Capacity Charges

NTS TO exit capacity charges apply to loads supplied through existing NTS offtakes into Distribution Networks (DNs) and to large loads and interconnectors supplied directly from the NTS. The exit zone for a DN supply point is determined by its post code.

For new loads supplied directly from the NTS, the exit zone charges provide an indication of the likely level of charges. However, in general, an individual exit zone will be created with its own charge for new NTS offtakes.

At present, National Grid Gas makes no charge for NTS exit capacity at storage points. This is on the basis that the transportation service to the storage points is interruptible. If a firm transportation service to storage were provided, a TO exit capacity charge would be payable.

There are four small towns in Scotland where LNG needs to be transported by road tanker to supply end users on distribution systems which are not physically connected to the main gas network. For these locations, NTS TO exit charges will be calculated on the basis that they are allocated to exit zone SC4, the location of the LNG storage site which supplies them.

Table 2.4 NTS TO Exit Capacity Charges

Invoice	Charge Codes	
CAP	NDX (DM) / NNX (NDM)	

Network	DN Exit Zone	Pence per peak day kWh per day
East of England	EA1	0.0028
	EA2	0.0103
	EA3	0.0037
	EA4	0.0111
	EM1	0.0030
	EM2	0.0007
	EM3	0.0079
	EM4	0.0064
North of England	NE1	0.0001
	NE2	0.0021
	NE3	0.0009
	NO1	0.0001
	NO2	0.0008
London	NT1	0.0210
	NT2	0.0136
	NT3	0.0151
North West	NW1	0.0085
	NW2	0.0075
Scotland	SC1	0.0001
	SC2	0.0010
	SC4	0.0001
South of England	SE1	0.0111
	SE2	0.0210
	SO1	0.0146
	SO2	0.0199
Wales & the West	SW1	0.0082
	SW2	0.0156
	SW3	0.0308
	WA1	0.0109
	WA2	0.0187
West Midlands	WM1	0.0066
	WM2	0.0072
	WM3	0.0079

**Table 2.4 NTS TO Exit Capacity Charges
(continued)**

Invoice	Charge Code
CAP	NDX (DM)

	Pence per peak day kWh per day
NTS Sites	
AM Paper	0.0035
Baglan Bay PG	0.0212
Barking PG	0.0114
BASF Teesside	0.0001
BP Grangemouth	0.0001
BP Saltend (HP)	0.0009
Bridgewater Paper	0.0100
Brigg PG	0.0005
Brimsdown PG	0.0123
Brunner Mond	0.0035
Connahs Quay PG	0.0100
Corby PG	0.0046
Croyton PG	0.0086
Cottam PG	0.0005
Deeside PG	0.0100
Didcot PG	0.0157
Goole Glass	0.0001
Great Yarmouth PG	0.0028
Hays Chemicals	0.0035
ICI Runcorn	0.0102
Immingham CHP	0.0005
Keadby PG	0.0001
Kemira Ince	0.0102
Kings Lynn PG	0.0027
Kingsnorth PG	0.0090
Little Barford PG	0.0057
Longannet PG	0.0001
Medway PG	0.0090
Peterborough PG	0.0027
Peterhead PG	0.0001
Phillips Seal Sands	0.0001
Rocksavage PG	0.0102
Roosecote PG	0.0023
Rye House PG	0.0123
Saltend PG	0.0009
Sappi Paper Mill	0.0085
Seabank PG	0.0145
Sellafield PG	0.0023
Shotton Paper	0.0100
Spalding PG	0.0020
Stallingborough PG	0.0009
Staythorpe PG	0.0027
Sutton Bridge PG	0.0020
Teesside Hydrogen	0.0001
Teesside PG	0.0001
Terra Billingham	0.0001
Terra Severnside	0.0149
Thornton Curtis PG	0.0005
Zeneca	0.0001

Invoice	Charge Code
CAP	NDX (DM)

	Pence per peak day kWh per day
Interconnectors	
Bacton I/C	0.0028
Moffat I/C	0.0001
Storage Sites	
Avonmouth	0.0145
Dynevor Arms	0.0187
Glenmavis	0.0001
Hatfield Moor	0.0001
Hole House Farm	0.0035
Hornsea	0.0009
Isle of Grain	0.0090
Partington	0.0035
Rough	0.0009

2.5 NTS Commodity Charges

2.5.1 NTS TO Commodity Charge

The NTS TO commodity charge may be levied where an under-recovery of TO entry revenue against the entry target level is forecast. The charge is levied on entry flows only and would address only that forecast TO revenue under-recovery, if any, that does not arise from NTS exit capacity charging.

The rate is identified in the commodity schedule below. For the avoidance of doubt, the TO commodity rate would be set to zero where forecast entry TO revenue is at, or above, the entry revenue target level.

2.5.2 NTS SO Commodity Charge

The NTS SO commodity charge is a uniform rate, independent of entry and exit points, and is levied on both NTS entry and NTS exit flows. The rate is identified in the schedule below.

2.5.3 NTS TO & SO Commodity Schedule

Invoice	Charge Code
COM	NCO

	Pence per kWh
SO Exit	0.0127

Invoice	Charge Code
ECO	NCE

	Pence per kWh
TO Entry	0.0079
SO Entry	0.0127
Combined Rate	0.0206

NTS entry commodity (NCE) will be invoiced using the combined rate.

2.5.4 NTS Optional Commodity Charge

The optional NTS commodity tariff is available as an alternative to both the entry / exit NTS SO commodity charge and the NTS TO commodity charge. It may be attractive for large daily metered sites located near to entry terminals, since the NTS SO and TO commodity tariffs are not distance-related and can result in a relatively high charge for short distance transportation. This could give perverse economic incentives to build dedicated pipelines bypassing the NTS, resulting in an inefficient outcome for all system users.

The optional tariff applies in respect of gas delivered from the local specified terminal. The charge is site specific and is calculated by the function shown below.

Invoice	Charge Code
ADU	880

Pence per kWh
$1203 \times [(SOQ)^{-0.834}] \times D + 363 \times (SOQ)^{-0.654}$

where **D** is the direct distance from the site or non-National Grid Gas pipeline to the elected terminal in km and **SOQ** is the registered supply point capacity in kWh. Note that ^ means "to the power of ..."

Further information on the optional NTS tariff can be obtained from our UK Transmission Charging team on **01926 654633**.

2.6 Compression Charge

An additional charge is payable where gas is delivered into the National Grid Gas system at a lower pressure than that required, reflecting the need for additional compression. For gas delivered at the Total Oil Marine sub-terminal at St. Fergus, a compression charge is payable at the rate identified in the schedule below.

Invoice	Charge Code
ADZ	900

	Pence per kWh
Compression	0.0062

2.7 System Balancing Charge

A system balancing commodity charge will be payable to reflect the costs of ensuring a balance between gas entering the system and gas offtaken.

For shippers operating wholly under Network Code arrangements, the system balancing charge is zero.

The system balancing commodity charge is calculated as: The sum of energy balancing charges which are or would be payable under the Network Code less energy balancing charges paid by or to the Shipper pursuant to the Network Code or any other arrangement divided by the total quantity offtaken.

Energy balancing charges are defined in the Network Code and include imbalance charges, scheduling charges and any additional charges payable by or to the Shipper for the purpose of

enabling National Grid Gas to balance system inputs and offtakes.

The system balancing charges will be determined following each calendar month by monitoring gas inputs and offtakes on a daily basis.

2.8 Other Charges

Other Charges include administration charges at Connected System Exit Points, Shared Supply Meter Points and Interconnectors.

2.8.1 Connected System Exit Points

A CSEP is a system point comprising one or more individual exit points which are not supply meter points. This includes connections to a pipeline system operated by non-DN Gas Transporters. NTS capacity and commodity unit rates are calculated for each shipper transporting to the CSEP as though the gas were being shipped to a single supply point.

Separate administration processes are required to manage the daily operations and invoicing associated with CSEPs, including interconnectors, for which an administration charge is made.

The administration charge which applies to CSEPs containing NDM and DM sites is:

Invoice	Charge Code
ADU	884

CSEP Administration Charge

Charge per supply point	0.3288 pence per day (£1.20 per annum)
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2.8.2 Shared Supply Meter Point Allocation Arrangements

National Grid Gas offers an allocation service for daily metered supply points with AQs of more than 58,600 MWh per annum. This allows up to four (six for VLDMCs) shippers / suppliers to supply gas through a shared supply meter point.

The allocation of daily gas flows between the shippers / suppliers can be done either by an appointed agent or by National Grid Gas.

The administration charges which relate to these arrangements are shown below. Individual charges depend on the type of allocation service nominated and whether the site is telemetered or non-telemetered.

The charges are (expressed as £ per shipper per supply point):

Invoice	Charge Code
ADU	884

Agent Service

	Telemetered	Non-telemetered
Set-up charge	£107.00	£183.00
Shipper-shipper transfer charge	£126.00	£210.00
Daily charge	£2.55	£2.96

National Grid Gas Service

	Telemetered	Non-telemetered
Set-up charge	£107.00	£202.00
Shipper-shipper transfer charge	£126.00	£210.00
Daily charge	£2.55	£3.05

2.8.3 Interconnectors

- Allocation Arrangements at Interconnectors:

The following allocation charges apply at interconnectors (GB-Ireland and UK-Continent) and apply for each supply point. Allocating daily gas flows between shippers / suppliers can be done either by an appointed agent or by National Grid Gas. The same set up charge applies in either case. The daily charge depends on whether the service is provided through an agent or not:

Invoice	Charge Code
ADU	884

	Set up charge per shipper	Daily Charge per shipper
Agent service	£141.70	£1.62
National Grid Gas service	£141.70	£2.46

- Administration Charges at Moffat:

The following administration charges apply only to the GB-Ireland interconnector at Moffat. The charges, which vary if the service is provided via an agent or National Grid Gas, are detailed below:

Invoice	Charge Code
ADU	884

	Daily Charge per shipper
Agent service	£15.08
National Grid Gas service	£30.16

The charges with or without an agent cover the operation of the flow control valve. In addition the National Grid Gas service provides the Exit Flow Profile Notice (EPN).

In the event that the appointed agent fails to provide an EPN to National Grid Gas, the following additional charge will apply:

EPN Default Charge per shipper per event **£0.63**.

Appendix 2A

Estimation of Peak Daily Load for Non-Daily Metered Supply Points

For non-daily metered (NDM) supply points, the peak daily load is estimated using a set of End User Categories (EUCs). Each NDM supply point is allocated to an EUC. In each LDZ each EUC has an associated load factor, as listed in Tables 2A.2 and 2A.3. The data in these tables applies for the gas year 1 October 2005 to 30 September 2006.

In the tables 'XX' refers to the LDZ Code (e.g. EA).

These EUCs depend upon the annual quantity (AQ) of the supply point and, in the case of monthly read sites, the ratio of winter to annual consumption where available.

Monthly read sites

It is mandatory for supply points with an annual consumption greater than 293 MWh to be monthly read, however, at the shipper's request, sites below this consumption may also be classified as monthly read.

For monthly read sites where the relevant meter reading history is available, the winter: annual ratio is the consumption from December to March divided by the annual quantity. If the required meter reading information is not available, the supply point is allocated to an EUC simply on the basis of its annual quantity.

The peak load for an NDM supply point may then be calculated as:

$$\frac{AQ \times 100}{365 \times LoadFactor}$$

Example

For a supply point in Eastern LDZ with an annual consumption of 1,000 MWh per annum.

Assume consumption December to March inclusive is 540 MWh.

$$\text{Winter: annual ratio} = 540 \div 1000 = 0.54$$

For a site with an annual consumption of 1,000 MWh, a ratio of 0.54 falls within winter: annual ratio band WO3 and the site is thus within End User Category EA:E0504W03.

For a site in this category, the load factor is 30.3% and the peak daily load is therefore

$$\frac{1000 \times 100}{365 \times 30.3} = 9.04 \text{ MWh}$$

If the required meter reading information is not available to calculate the winter: annual ratio, the supply point is allocated to an EUC simply on the basis of its annual quantity, in this case EA:E0504B.

For a site in this category, the load factor is 34.5% and the peak daily load is therefore

$$\frac{1000 \times 100}{365 \times 34.5} = 7.94 \text{ MWh}$$

Six monthly read sites

In the case of six monthly read sites, the supply point is allocated to an EUC simply on the basis of its annual quantity.

Example

For a supply point in Eastern LDZ with an annual consumption of 200 MWh per annum, the EUC will be EA:E0502B.

For a site in this category, the load factor is 32.5% and the peak daily load is therefore

$$\frac{200 \times 100}{365 \times 32.5} = 1.69 \text{ MWh}$$

Notes

The term LDZ is applied in the context of its usage with reference to the Uniform Network Code daily balancing regime. This is not precisely the same as the term LDZ when it is used in the context of National Grid Gas' organisation structure.

For supply points whose consumption is over 73,200 kWh and which include one or more NDM supply meter points, an end user category code can be found in the supply point offer generated by UK Link. This code may be correlated with the end user category code shown opposite by means of a lookup table issued separately to shippers. Copies are available from the xoserve Supply Point Administration Management team on **0121 713 5569**.

For additional information regarding the demand estimation process, please contact National Grid Gas' Demand Estimation Team on **01926 656149**.

Daily metered supply points

The SOQ of daily metered sites is known and hence no load factor is required.

Supply points with annual consumptions greater than 58,600 MWh should be daily metered. However, a handful of sites remain as non-daily metered as a result of difficulties installing the daily read equipment. In such cases the end user category code XX:E0409B is used.

Firm supply points with an AQ above 73.2 MWh pa may, at the shipper's request, be classified as daily metered. All interruptible supply points are daily metered.

Consultation on end user categories

Section H of the Uniform Network Code requires the transporter to publish, * by the end of June each year, its demand estimation proposals for the forthcoming supply year. These proposals comprise end user category definitions, NDM profiling parameters (ALPs and DAFs), and capacity estimation parameters (EUC load factors). Analysis is presented to users and the Demand Estimation Sub-Committee (a sub-committee of the Uniform Network Code Committee) is consulted before publication of its proposals.

* NDM Profiling and Capacity Estimation Algorithms for 2005/06, June 2005.

Table 2A.1 Definition of end user categories

The following tables define the end user category for particular LDZs by reference to annual consumption and winter: annual ratio, applicable from 1 October 2005 to 30 September 2006.

EUC Code	Annual Load (MWh)	Winter Annual Ratios (WAR)			
		W01	W02	W03	W04
xx:E0501B	0 to 73.2	-	-	-	-
xx:E0502B	73.2 to 293	-	-	-	-
xx:E0503B	293 to 732	0.00 - 0.42	0.42 - 0.50	0.50 - 0.58	0.58 - 1.00
xx:E0504B	732 to 2,196	0.00 - 0.42	0.42 - 0.50	0.50 - 0.58	0.58 - 1.00
xx:E0505B	2,196 to 5,860	0.00 - 0.39	0.39 - 0.46	0.46 - 0.54	0.54 - 1.00
xx:E0506B	5,860 to 14,650	0.00 - 0.34	0.34 - 0.42	0.42 - 0.51	0.51 - 1.00
xx:E0507B	14,650 to 29,300	0.00 - 0.34	0.34 - 0.39	0.39 - 0.47	0.47 - 1.00
xx:E0508B	29,300 to 58,600	0.00 - 0.31	0.31 - 0.35	0.35 - 0.43	0.43 - 1.00
xx:E0509B	> 58,600	-	-	-	-

Table 2A.2 Small NDM Supply Points (Up to 2,196 MWh per annum)

xx: = LDZ =	SC	NO	NW	NE	EM	WM	WN	WS	EA	NT	SE	SO	SW
xx:E0501B	39.0%	34.5%	37.0%	36.5%	36.9%	33.1%	37.0%	34.4%	34.6%	32.8%	32.5%	29.9%	32.4%
xx:E0502B	37.7%	29.5%	33.8%	29.2%	31.6%	29.1%	33.8%	28.6%	32.5%	34.3%	32.7%	30.4%	27.9%
xx:E0503B	40.0%	31.7%	35.4%	32.1%	34.2%	27.9%	35.4%	30.9%	34.0%	33.3%	32.0%	29.6%	29.6%
xx:E0503W01	57.1%	54.4%	54.5%	54.7%	57.3%	50.7%	54.5%	54.8%	56.3%	58.2%	57.0%	54.7%	56.7%
xx:E0503W02	45.2%	38.4%	41.4%	43.1%	43.1%	37.7%	41.4%	42.2%	42.6%	42.6%	42.9%	39.5%	41.8%
xx:E0503W03	33.5%	27.0%	29.1%	30.7%	31.5%	27.5%	29.1%	29.7%	30.3%	31.0%	30.1%	27.9%	29.1%
xx:E0503W04	26.8%	22.1%	23.7%	23.8%	24.3%	21.2%	23.7%	22.6%	24.0%	23.3%	23.6%	20.7%	22.9%
xx:E0504B	40.6%	32.2%	36.2%	35.2%	34.5%	31.0%	36.2%	33.2%	34.5%	36.2%	35.5%	30.9%	34.7%
xx:E0504W01	57.1%	54.4%	54.5%	54.7%	57.3%	50.7%	54.5%	54.8%	56.3%	58.2%	57.0%	54.7%	56.7%
xx:E0504W02	45.2%	38.4%	41.4%	43.1%	43.1%	37.7%	41.4%	42.2%	42.6%	42.6%	42.9%	39.5%	41.8%
xx:E0504W03	33.5%	27.0%	29.1%	30.7%	31.5%	27.5%	29.1%	29.7%	30.3%	31.0%	30.1%	27.9%	29.1%
xx:E0504W04	26.8%	22.1%	23.7%	23.8%	24.3%	21.2%	23.7%	22.6%	24.0%	23.3%	23.6%	20.7%	22.9%

Table 2A.3 Large NDM Supply Points (2,196 and above MWh per annum)

xx: = LDZ =	SC	NO	NW	NE	EM	WM	WN	WS	EA	NT	SE	SO	SW
xx:E0505B	42.3%	35.9%	39.8%	37.7%	39.6%	35.0%	39.8%	38.1%	38.1%	40.3%	37.8%	35.2%	37.7%
xx:E0505W01	63.2%	58.1%	60.0%	62.5%	62.1%	58.5%	59.9%	64.4%	62.7%	62.0%	60.8%	58.1%	61.1%
xx:E0505W02	48.6%	44.8%	47.4%	45.6%	46.2%	42.5%	47.4%	46.5%	47.1%	47.8%	47.9%	44.2%	44.9%
xx:E0505W03	37.0%	31.3%	34.4%	36.3%	36.2%	32.6%	34.4%	35.7%	36.2%	36.9%	35.9%	32.3%	34.8%
xx:E0505W04	29.0%	23.3%	25.4%	24.9%	25.9%	23.2%	25.4%	25.6%	25.9%	26.5%	25.9%	23.2%	24.8%
xx:E0506B	47.0%	39.8%	45.4%	43.3%	44.9%	41.2%	45.3%	42.9%	42.0%	45.0%	44.3%	38.2%	43.1%
xx:E0506W01	71.3%	69.9%	71.0%	71.3%	71.4%	70.7%	71.0%	72.2%	76.2%	76.0%	75.9%	71.6%	72.1%
xx:E0506W02	54.3%	50.8%	53.7%	52.2%	52.3%	50.4%	53.6%	53.0%	54.7%	54.1%	53.7%	50.4%	52.6%
xx:E0506W03	42.2%	38.7%	42.0%	38.9%	39.0%	37.4%	41.9%	39.7%	42.2%	41.5%	41.3%	37.9%	39.9%
xx:E0506W04	28.3%	25.1%	28.1%	27.2%	27.5%	25.9%	28.0%	27.6%	29.4%	28.8%	28.7%	26.4%	28.2%
xx:E0507B	51.7%	46.7%	49.6%	49.8%	50.0%	47.9%	49.6%	43.0%	49.3%	48.7%	48.3%	40.2%	42.5%
xx:E0507W01	74.3%	73.3%	73.9%	73.9%	74.0%	73.4%	73.9%	76.3%	77.3%	77.1%	77.0%	76.3%	76.9%
xx:E0507W02	59.9%	57.0%	59.3%	59.4%	59.6%	57.8%	59.3%	58.3%	59.1%	58.6%	58.2%	56.0%	57.9%
xx:E0507W03	46.0%	42.1%	45.1%	45.1%	45.3%	43.0%	45.1%	43.2%	44.2%	43.6%	43.1%	41.5%	42.7%
xx:E0507W04	31.7%	28.3%	31.2%	30.9%	31.2%	29.5%	31.1%	30.1%	31.6%	31.1%	30.8%	28.5%	30.3%
xx:E0508B	65.8%	62.6%	65.3%	58.8%	58.9%	57.0%	65.3%	57.4%	58.5%	58.0%	57.5%	54.6%	56.9%
xx:E0508W01	87.5%	87.5%	87.4%	87.4%	87.5%	87.4%	87.4%	87.3%	87.3%	87.3%	87.3%	87.4%	87.3%
xx:E0508W02	73.0%	70.7%	72.5%	72.6%	72.7%	71.4%	72.5%	71.5%	72.0%	71.7%	71.4%	69.9%	71.2%
xx:E0508W03	58.4%	55.0%	57.7%	57.7%	57.9%	55.9%	57.7%	56.0%	56.8%	56.3%	55.9%	53.5%	55.6%
xx:E0508W04	38.4%	34.5%	37.7%	37.5%	37.9%	36.2%	37.6%	35.7%	37.8%	37.2%	36.9%	34.4%	36.2%
xx:E0509B	67.6%	64.3%	66.9%	67.0%	67.2%	65.3%	66.9%	65.5%	66.2%	65.8%	65.4%	63.1%	65.1%

Appendix 2B

The table below details the NTS SO baseline entry capacity GWh/day identified in National Grid Gas' Transmission GT Licence (Special condition C8B, Schedule A, Table A2) and used as the basis for determination of minimum annual quantities to be offered. All quantities identified are for a 12-month period from April to March inclusive.

NTS SO Baseline Entry Capacity (GWh/day)

Terminal	2005/6	2006/7 – 2020/21
Coastal Terminals		
Bacton	1,745	1,745
Easington/Rough	1,062	1,062
Theddlethorpe	848	848
St Fergus	1,648	1,677
Teesside	761	761
Barrow	712	712
Milford Haven	0	0
Onshore Fields and Connections		
Hatfield Moor	1	1
Wytch Farm	3.2	3.2
Burton Point	55	55
Storage		
Hatfield Moor	54	54
Hole House Farm	26	26
Hornsea	175	175
Glenmavis	99	99
Partington	215	215
Cheshire	161	214
Barton Stacey	0	0
Garton	0	0
Constrained LNG		
Avonmouth	149	149
Dynevor Arms	50	50
Isle of Grain	218	218

Appendix 2C (i)

This table will identify the current obligated system entry capacity offered in Annual System Entry Capacity auctions (to be held in February 2006) and is determined in accordance with paragraph 14(5)(g) of part 2 of Special Condition C8B of National Grid Gas' Transmission GT Licence. For periods that are subject to a QSEC allocation, then supply can be further expanded in accordance with National Grid Gas' IECR statement.

AMSEC Entry Capacity (kWh/day)

Appendix 2C (ii)

This table will be available prior to the next QSEC auction and will identify the current obligated system entry capacity, available at the applicable reserve price, to be offered in Annual System Entry Capacity auctions and is determined in accordance with paragraph 14(5)(g) of part 2 of Special Condition C8B of National Grid Gas' Transmission GT Licence. For periods that are subject to a QSEC allocation, then supply can be further expanded in accordance with National Grid Gas' IECR statement.

QSEC Entry Capacity (kWh/day)

Appendix 2D

The tables below detail the step prices (p/kWh/day) for use in the auctions of Quarterly System Entry Capacity.

QSEC Step Prices (p/kWh/day)

Pence/kWh/day

Coastal Terminals and Importation Facilities									
	Bacton	Easington & Rough	Theddlethorpe	St. Fergus	Teesside	Barrow	Milford Haven	Isle of Grain	
Baseline	0.0061	0.0011	0.0010	0.0215	0.0020	0.0005	0.0086	Baseline	0.0062
2.50%	0.0062	0.0013	0.0012	0.0216	0.0021	0.0006	0.0092	6.00%	0.0068
5.00%	0.0065	0.0015	0.0013	0.0217	0.0022	0.0007	0.0099	12.00%	0.0072
7.50%	0.0066	0.0017	0.0014	0.0218	0.0023	0.0008	0.0103	18.00%	0.0076
10.00%	0.0067	0.0019	0.0015	0.0219	0.0024	0.0009	0.0104	24.00%	0.0080
12.50%	0.0068	0.0020	0.0016	0.0220	0.0025	0.0010	0.0105	30.00%	0.0085
15.00%	0.0069	0.0021	0.0017	0.0221	0.0026	0.0011	0.0106	36.00%	0.0088
17.50%	0.0070	0.0022	0.0018	0.0222	0.0027	0.0012	0.0111	42.00%	0.0092
20.00%	0.0071	0.0023	0.0019	0.0224	0.0028	0.0013	0.0116	48.00%	0.0095
22.50%	0.0072	0.0024	0.0020	0.0229	0.0029	0.0014	0.0121	54.00%	0.0099
25.00%	0.0073	0.0025	0.0021	0.0236	0.0030	0.0015	0.0126	60.00%	0.0100
27.50%	0.0074	0.0026	0.0022	0.0243	0.0031	0.0016	0.0131	66.00%	0.0101
30.00%	0.0075	0.0027	0.0023	0.0251	0.0032	0.0017	0.0137	72.00%	0.0102
32.50%	0.0076	0.0028	0.0024	0.0259	0.0033	0.0018	0.0143	78.00%	0.0103
35.00%	0.0078	0.0029	0.0025	0.0265	0.0034	0.0019	0.0148	84.00%	0.0104
37.50%	0.0079	0.0030	0.0026	0.0270	0.0035	0.0020	0.0151	90.00%	0.0105
40.00%	0.0080	0.0031	0.0027	0.0274	0.0036	0.0021	0.0155	96.00%	0.0106
42.50%	0.0081	0.0032	0.0028	0.0277	0.0037	0.0022	0.0158	102.00%	0.0107
45.00%	0.0082	0.0034	0.0029	0.0279	0.0038	0.0023	0.0161	108.00%	0.0108
47.50%	0.0083	0.0035	0.0030	0.0282	0.0039	0.0024	0.0163	114.00%	0.0109
50.00%	0.0084	0.0037	0.0031	0.0284	0.0040	0.0025	0.0165	120.00%	0.0110
Baseline (GWh)	1745	1062	848	1648	761	712	950		218

Pence/kWh/day

Onshore Fields and Connections								
	Hatfield Moor		Wytch Farm		Burton Point		Hole House Farm	
	Baseline	0.0014	Baseline	0.0000	Baseline	0.0001	Baseline	0.0001
	10%	0.0017	10%	0.0002	10%	0.0002	10%	0.0002
	20%	0.0020	20%	0.0004	20%	0.0003	20%	0.0003
	30%	0.0022	30%	0.0005	30%	0.0004	30%	0.0004
	40%	0.0024	40%	0.0007	40%	0.0005	40%	0.0005
	50%	0.0026	50%	0.0008	50%	0.0006	50%	0.0006
Baseline (GWh)		55		3		55		26

Appendix 2D continued

Pence/kWh/day

Storage Sites											
Garton		Cheshire		Hornsea		Glenmavis		Partington		Barton Stacey	
Baseline	0.0013	Baseline	0.0001	Baseline	0.0051	Baseline	0.0179	Baseline	0.0003	Baseline	0.0000
2.50%	0.0014	6.25%	0.0002	8.33%	0.0056	10.00%	0.0180	6.25%	0.0004	10.00%	0.0003
5.00%	0.0016	12.50%	0.0003	16.67%	0.0062	20.00%	0.0181	12.50%	0.0005	20.00%	0.0005
7.50%	0.0017	18.75%	0.0004	25.00%	0.0067	30.00%	0.0182	18.75%	0.0006	30.00%	0.0008
10.00%	0.0019	25.00%	0.0005	33.33%	0.0072	40.00%	0.0183	25.00%	0.0007	40.00%	0.0010
12.50%	0.0020	31.25%	0.0006	41.67%	0.0077	50.00%	0.0184	31.25%	0.0008	50.00%	0.0011
15.00%	0.0022	37.50%	0.0007	50.00%	0.0082			37.50%	0.0009		
17.50%	0.0024	43.75%	0.0008					43.75%	0.0010		
20.00%	0.0025	50.00%	0.0009					50.00%	0.0011		
22.50%	0.0026										
25.00%	0.0027										
27.50%	0.0028										
30.00%	0.0029										
32.50%	0.0030										
35.00%	0.0031										
37.50%	0.0032										
40.00%	0.0033										
42.50%	0.0034										
45.00%	0.0035										
47.50%	0.0036										
50.00%	0.0037										
Baseline (GWh)	420		214		175		99		215		90

Pence/kWh/day

	Constrained LNG			
	Avonmouth		Dynevor Arms	
	Baseline	0.0021	Baseline	0.0000
	10%	0.0023	10%	0.0014
	20%	0.0025	20%	0.0026
	30%	0.0026	30%	0.0036
	40%	0.0029	40%	0.0046
	50%	0.0031	50%	0.0054
Baseline (GWh)		149		50