



**NATIONAL GAS TRANSMISSION PLC  
GAS DEMAND SIDE RESPONSE (DSR) OPTIONS  
INVITATION TO OFFER  
GUIDANCE DOCUMENT**

**Issued on 24<sup>th</sup> August 2023**

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[Demand Side Response \(DSR\) | National Gas](#)



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## 1.0 BACKGROUND

This guidance document for the DSR Invitation to Offer is structured to reflect amendments to the gas DSR regime following Ofgem approval of UNC Modification Proposals 0844 “Enabling Direct Contractual Arrangements with Consumers for Demand Side Response”<sup>1</sup> which permits NGT to enter into contracts with eligible Consumers to reduce their consumption in the event of the DSR Market triggers being met and UNC Modification Proposal 0845 “Enhancements to Demand Side Response (DSR) Arrangements including a D-5 Product”<sup>2</sup> introduces a five day ahead product into the suite of Demand Side Response products.

An Ofgem decision on a Modification Proposal to the Independent Gas Transporter (IGT) UNC ‘*IGT167 - Alignment of the IGT UNC with UNC NGT Demand Side Response Arrangements*’ is currently pending. Should Ofgem approve this Modification Proposal then eligible Consumers connected to IGT networks will also be able to participate. If such decision is provided during the tender period, we will issue a tender bulletin to that effect.

NGT is now seeking to enter agreements, in advance, with Shippers and eligible Consumers who place DSR offers which may be exercised, within-day, and/or at D-1 (day ahead of delivery) and/or at D-5 (5 days ahead of delivery) (DSR Option Offers) for the forthcoming Winter Period (1st November 2023 to 30th April 2024) and the next two Winter Periods, thereafter. Such agreements will be in accordance with the rules set out in the Uniform Network Code, Transportation Principal Document section D7<sup>3</sup>. This section of the UNC also contains the terms and conditions that shall apply to any DSR Option Offer submitted by a Shipper in response to this Invitation to Offer that is accepted by NGT. The terms and conditions that apply to any DSR Option Offer submitted by a Consumer that is accepted by NGT are published on our website<sup>4</sup> in the form of a template contract that NGT and the Consumer would sign following NGT acceptance of such offer.

### **Eligibility**

Responses to this DSR Invitation to Offer may be submitted either by a Shipper that is the Registered User at an eligible supply point or by the Consumer at the supply point.

An eligible supply point is:

- Where DSR is offered by a Shipper, a Class 1 (DMC) or Class 2 (DMA) daily metered Supply Point (as defined in the UNC TPD Section A4.3<sup>5</sup>).
- Where DSR is provided directly by a Consumer, a Class 1 (DMC) Supply Point.
- One where the Winter Average Demand minus the DSR Reduced Quantity is equal to at least 100,000 kWh

### **Quantity offered**

In last year’s process, DSR Option Offers were invited based on the quantity of demand reduction that would be delivered if DSR were to be called by NGT. In this year’s process, tenderers are invited to offer a quantity of daily demand that would not be exceeded if DSR were called (‘DSR Reduced Quantity’). The quantity to calculate payment will then be based on the difference between the average daily winter demand (‘Winter Average Demand’) for that site and the tendered DSR Reduced Quantity. The difference between these two values is termed the ‘Option Quantity’ and must be a minimum of 100,000 kWh.

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<sup>1</sup> [0844 - Enabling Direct Contractual Arrangements with Consumers for Demand Side Response | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/0844-Enabling-Direct-Contractual-Arrangements-with-Consumers-for-Demand-Side-Response)

<sup>2</sup> [0845 - Enhancements to Demand Side Response \(DSR\) Arrangements including a D-5 Product | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/0845-Enhancements-to-Demand-Side-Response-(DSR)-Arrangements-including-a-D-5-Product)

<sup>3</sup> [UNC TPD Section D](#)

<sup>4</sup> [DSR Consumer Contract - Post Consultation Clean Version](#)

<sup>5</sup> [UNC TPD Section A \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/unc-tpd-section-a)

If any Shipper or Consumer is interested in participating in this DSR Invitation to Offer and wishes to know the Winter Average Demand of a site in respect of which they are the Registered User or Consumer before submission of an offer, please email [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) and we will endeavour to provide it.

### **Contract Limit**

Where a Consumer submits a DSR Option Offer directly to NGT in response to this DSR Invitation to Offer, NGT will procure an independent credit assessment in respect of that Consumer to determine whether any security would be required, should NGT accept the Consumer's offer. In accordance with clause 8 of the DSR Consumer Contract, such security would be required to cover any shortfall between the annual contract limit returned by the credit assessment and 110% of the total winter option payment that would be due to the Consumer. Should a Consumer wish to know its current annual contract limit before submission of its offer, again, please email [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) and we will endeavour to provide it.

Some stakeholders told us that a key barrier to their participation in the DSR scheme was the limited circumstances in which their current Environment Agency or Local Authority environmental permits enabled fuel switching.

### **Fuel Switching**

Last year, the Secretary of State (SoS) of the Department for Environment Food and Rural Affairs (DEFRA) issued a Direction to the Environment Agency instructing it not to take enforcement action against sites that were utilising fuel switching while actively participating in the DSR scheme, while ensuring protection of the environment and human health. We have continued our work with Government this year, seeking to extend the scope of the Direction to the Environment Agency to encompass this year's DSR reforms, and developing an approach to enable sites that are regulated by Local Authorities in England to be brought within scope, the aim being to expand the pool of potential participants and/or enable sites to increase the DSR quantity that they could offer.

Defra's SoS has today issued 2 directions: (1) a replacement direction to the Environment Agency which recognises NGT's ability to now contract directly with consumers and the introduction of a D-5 product, and (2) a new Direction to Local Authorities in England to allow sites regulated by their Local Authority to participate in the DSR scheme<sup>6</sup>. The Local Authority Direction includes the same criteria as the EA direction, allowing local authority regulated sites that are permitted to fuel switch in an emergency, to fuel switch during the pre-emergency voluntary DSR phase while ensuring protection of the environment and human health.

## **2.0 INTRODUCTION**

### **2.1 DSR Invitation to Offer Documents**

This Guidance Document should be read in conjunction with the following Offer Documents which are available on the National Gas Transmission website link below:

#### [Demand Side Response \(DSR\) | National Gas](#)

- Invitation to offer Letter
- Shippers Offer Pack 1 – Within Day Option Offers      2023/24, 2024/25, 2025/26
- Shippers Offer Pack 2 – Day Ahead Option Offers      2023/24, 2024/25, 2025/26

<sup>6</sup> <https://www.gov.uk/government/publications/the-environmental-protection-england-gas-demand-side-response-direction-2022>  
<https://www.gov.uk/government/publications/the-environmental-protection-england-gas-demand-side-response-local-authority-direction-2023>

- Shippers Offer Pack 3 – D-5 Option Offers 2023/24, 2024/25, 2025/26
- Consumers Offer Pack 1 – Within Day Option Offers 2023/24, 2024/25, 2025/26
- Consumers Offer Pack 2 – Day Ahead Option Offers 2023/24, 2024/25, 2025/26
- Consumers Offer Pack 3 – D-5 Option Offers 2023/24, 2024/25, 2025/26

To ensure that the offer packs function as intended, please ensure the desktop version of Microsoft Excel is used, and not web based or online versions.

**Direct Contracting Consumers only:**

- NGT-Consumer DSR Contract (template)
- Parent Company Guarantee (template)
- Letter of Credit (template)
- Deposit Deed (template)

**3.0 DSR SERVICE**

Gas DSR is an energy balancing tool for NGT which would be utilised to mitigate the potential of entering a Gas Deficit Emergency under certain pre-defined triggers. When exercised it results in consumers voluntarily reducing demand which depending with whom the agreement is struck may be enacted either via the Locational Market within the On the day Commodity Market (OCM), ‘over the counter’ (OTC) trades or via direct contract and demand reduction instruction with consumers.

There are three triggers which enable NGT to open the DSR Market and exercise the options these are:

1. Issuing of a Margins Notice (MN) at D-1: or
2. Issuing of a Gas Balancing Notification (GBN) within day or at D-1: or
3. Forecast supply deficit at 5 days ahead of the gas day (D-5) in excess of 14mcm.

National Gas Transmission is obliged under the UNC to issue to all Shippers and publish on its website an invitation (DSR Option Invitation) no later than 31 August in each Gas Year seeking commitments from shippers and eligible Consumers to offer DSR within-day, and/or at D-1 and/or at D-5 at specified times (DSR Option Offers) for the forthcoming Winter Period and the next two Winter Periods, thereafter, as more particularly described in UNC TPD section D7.

**4.0 INVITATION TO OFFER TIMETABLE**

Activity	Date
Pre-tender Market Notification	Tuesday 15 <sup>th</sup> August 2023
Tender launched, Invitation to Offer period commences	Thursday 24 <sup>th</sup> August 2023
Offers Submission Deadline	17:00 (BST) Friday 15 <sup>th</sup> September 2023
Offer evaluation period	Monday 18 <sup>th</sup> September to Friday 29 <sup>th</sup> September 2023
Acceptance letters sent*	Friday 29 <sup>th</sup> September 2023
Rejection letters sent*	Friday 29 <sup>th</sup> September 2023
Publication of results in aggregated / anonymised form*	Friday 6 <sup>th</sup> October 2023

\* If the aggregate amount of option payments that NGT wishes to accept from this Invitation to Offer exceeds £36m, NGT is required to refer the process to Ofgem, which may delay the issue of acceptance / rejection letters and publication of tender results by up to 10 business days.

## **5.0 REQUIREMENTS OF THE INVITATION TO OFFER PROCESS**

Tenderers are invited to offer a daily quantity of demand in respect of the supply point that would not be exceeded if DSR were called by NGT during the relevant Winter Period. The energy quantity used to calculate the option payment (the 'Option Quantity') will be based on the difference between the Winter Average Demand for that site and the tendered quantity (DSR Reduced Quantity), which must be at least 100,000 kWh.

### **Criteria to Offer**

Responses to the DSR Invitation to Offer may be submitted either by a shipper that is the Registered User at an eligible supply point or by the Consumer at the supply point.

An eligible supply point is:

- Where DSR is offered by a Shipper, a Class 1 (DMC) or Class 2 (DMA) daily metered Supply Point (as defined in the UNC TPD Section A4.37).
- Where DSR is provided directly by a Consumer, a Class 1 (DMC) Supply Point.
- One where the Winter Average Demand minus the DSR Reduced Quantity is equal to at least 100,000 kWh

Tenderers are required to offer:

### **Pricing Schedule**

- A price (**Option Price**), specified in p/kWh/day, that the tenderer requires to be paid in return for its commitment to make the relevant quantity available for gas DSR purposes
- A single energy quantity per site (per winter period) as the DSR Reduced Quantity – Note tranches of response are no longer part of the product
- A price (**Exercise Price**) which the tenderer would be paid if NGT exercises the option (i.e. calls DSR within the relevant Winter Period) may be expressed either: as a fixed amount in p/kWh or as a price to be determined by reference to the prevailing gas price, determined by the relevant System Average Price (SAP).

SAP is the System Average Price on:

- for a Within-Day Option, Day D-1 (e.g. for a within day option exercised on 2<sup>nd</sup> December, the SAP price applicable will be from 1<sup>st</sup> December)
- for a Day-Ahead Option D-2 (e.g. for a Day ahead option exercised for 2<sup>nd</sup> December on 1<sup>st</sup> December, the SAP price applicable will be from 30<sup>th</sup> November)
- for a 5-Day ahead Option, Day D-6 (e.g. for a D-5 option exercised for 2<sup>nd</sup> December on 27<sup>th</sup> November, the SAP price applicable the applicable SAP will be from 26<sup>th</sup> November) and a tenderer may offer a multiple of the relevant SAP in the form of the term  $F * SAP$ , where F is a positive number stated to two decimal places.

### **Option Offer**

- The identity of the Consumer that would provide the demand reduction, the nature of its business, its supply meter point reference number;

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<sup>7</sup> [UNC TPD Section A \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk)

- Whether the option offer is a within-day, and/or at D-1 (day ahead of delivery) and/or at D-5 (5 days ahead of delivery);
- The Winter Period for which the offer is made;
- Is the offer linked to another DSR Option Offer. (For example, a tenderer may wish to submit offers for all three Winter Periods and specify that either all are accepted or none are);
- For a within day option offer, the lead-time that shall apply between National Gas Transmission’s exercise of the option and the Consumer commencing reduction in its gas offtake which shall not exceed 6 hours (for a day ahead option offer, the demand reduction shall be effective from 05:00 on the next Day);
- **Optional Field, if left blank this means no such restriction applies:** A minimum period in days between days of non-consecutive exercise (**“Minimum Exercise Interval”**);
- **Optional Field: if left blank this means no such restriction applies** A maximum number of days on which the DSR option may be exercised in a Winter Period (**“Maximum Exercise Period”**); and
- **Optional Field:** how it would deliver the demand reduction, if exercised by National Gas Transmission, for example by use of switching to use of an alternative fuel or reduced production.

**Multi-year options guidance**

In the case of a multi-year option submission, following the conclusion of the current Winter Period (30th April 2024), for each party with an accepted option for the following Winter Period, NGT will review average demand over that Winter Period to allow the calculation of the Option Quantity for the following Year. If the Option Quantity identified falls below 100,000kWh’s it may be the case that the option for year 2 would lapse and be terminated.

**Categories of Consumer Type**

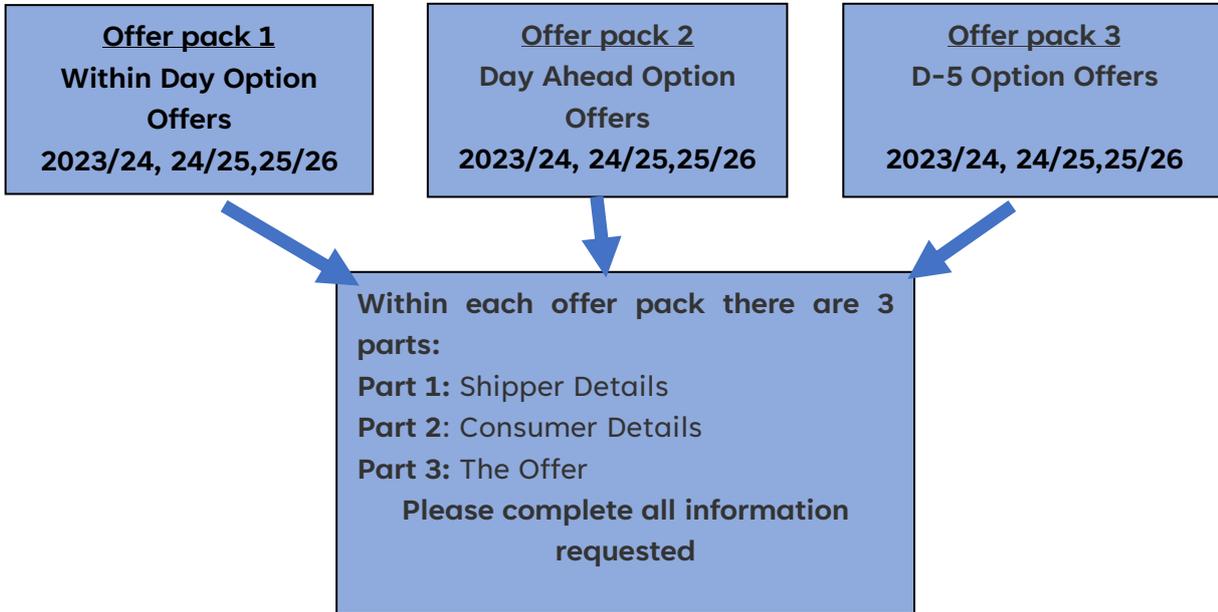
National Gas Transmission have identified seven categories for Users to indicate which Consumer type an option offer is submitted in respect of which are listed below along with a definition:

Category Name	Definition
Chemical	Facility involved in the production or manufacture of chemicals.
Food & Drink	Facility involved in the production, growth or maintenance of food and drink products.
Heavy Industry – Steel, Glass etc	Facility involved in the production or manufacturing of heavy industrial products with very large energy consumption. Steel Works, Glass production, Ceramics and Brick factories are examples.
Manufacturing	All other manufacturing facilities, examples of which would include automotive, building products, textiles etc
Power Generation	Facilities involved in the production of electricity.
Public Services	Facilities that support the public.
Other	Any other type of industrial / commercial sector. An additional field has been provided on the Offer Pack to provide a description of the business if “other” is selected.

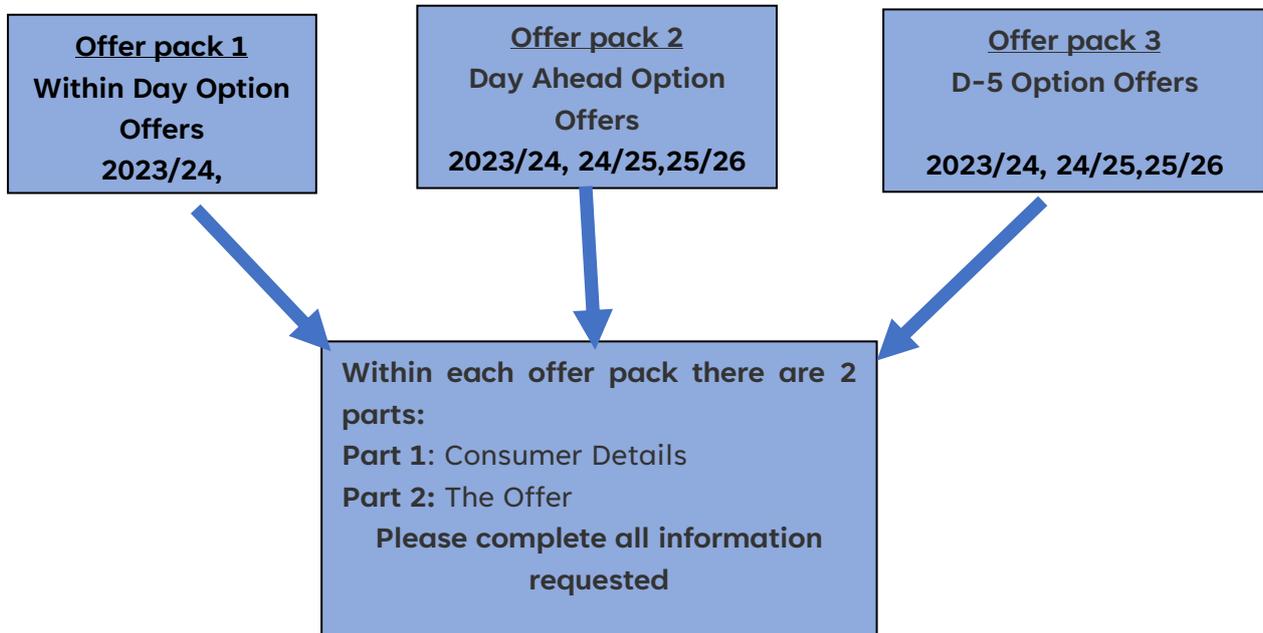
**6.0 COMPLETION OF DSR OFFER PACKS**

Separate DSR offer packs for Shippers and Direct Contracting Consumers containing worksheets for winter periods **2023/24, 2024/25 and 2025/26** are published alongside this document:

**1. For Shippers there are 3 Parts**



**2. For Direct Contract Consumers there are 2 parts**



If you are unsure which section of the offer pack you should be completing as part of your offer, please contact [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) or [Andrea.Godden@nationalgas.com](mailto:Andrea.Godden@nationalgas.com)

## 6.1 Users Agreement and Acknowledgement

Once the relevant offer pack(s) have been populated, it should be emailed to [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) and cc [Andrea.Godden@nationalgas.com](mailto:Andrea.Godden@nationalgas.com) If a tenderer wishes to submit any additional information in relation to its offer submission, a cover letter may be e-mailed in addition to the offer pack.

Prior to acceptance National Gas Transmission may disclose the terms of any offer to Ofgem and the Department of Energy Security and Net Zero. National Gas Transmission may disclose the identity of tenderers to Xoserve for assessment purposes to ensure that a DSR Option Offer is made in respect of an eligible Consumer and to enable the invoicing processes.

Post acceptance where the tenderer is a Shipper, NGT may also disclose the identity of the Shipper and associated Consumer to ICE Endex, the OCM market operator to enable system activities to be set up to enable exercise of that option.

## 7.0 SUBMISSION OF DSR OFFERS

### 7.1 Offer Submission

Users that wish to participate in this invitation to offer must submit their DSR Offer pack(s) via email to [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) and cc [Andrea.Godden@nationalgas.com](mailto:Andrea.Godden@nationalgas.com) no later than **17:00 BST Friday 15<sup>th</sup> September 2023**.

National Gas Transmission reserves the right to consider late submissions in a manner which it feels most appropriate taking account of any specific circumstances.

If any unforeseen issue (e.g., technical issues with email) prevents a DSR Offer from being submitted by the deadline, the tenderer must notify National Gas Transmission of such issue within a reasonable period prior to the submission deadline.

If, in the sole judgement of National Gas Transmission, a tenderer has failed to submit a compliant within-day, D-1 or D-5 DSR Offer, National Gas Transmission reserves the right to:

1. Reject the DSR Offer in question; and/or
2. Take any other action it deems appropriate in the circumstances, including requesting the User to amend any parameters other than prices, so that it is made compliant.

If any further information is required to assist with the preparation of an DSR offer, the tenderer should request this information from National Gas Transmission. National Gas Transmission may consider it necessary to share any further information given in response to specific enquiries with all other potential tenderers.

Under no circumstances will National Gas Transmission be legally bound to accept any offer made by any party or to accept any offer at all, or to reimburse any cost or expenditure whatsoever or howsoever incurred by any party in preparing and submitting an offer.

## 8.0 ASSESSMENT OF DSR OFFERS AND SELECTION FACTORS

All DSR offers submitted will be accessed, examined for completeness and compliance.

National Gas Transmission will cross-check between Operating Margins Agreements and / or Constraint Management Contracts to ensure there are no conflicting arrangements by those responding to the Invitation to Offer.

National Gas Transmission shall select DSR Option Offers in accordance with UNC TPD Section D7.6 and the Option Selection Guidance contained in its DSR Methodology statement<sup>8</sup>.

Following the invitation close date, National Gas Transmission will consider compliant DSR Option Offers for acceptance, for each Winter Period separately, as follows:

(a) National Gas Transmission will rank all DSR Option Offers:

1. In order of Combined Price (sum of the Option Price (for one Day) and the Exercise Price) lowest price ranked first, subject to paragraph 2;
2. National Gas Transmission will adjust the ranking as and to the extent it decides (in accordance with the Option Selection Guidance) is appropriate:
  - to give priority to Within-Day Options over Day-Ahead Options and to Day-Ahead Options over 5-Day-Ahead Options;
  - to reflect the disadvantages of DSR Option Offers with a particular Minimum Exercise Interval and/or a Maximum Exercise Period, and the advantages of DSR Option Offers without those limits;
3. A DSR Option Offer may be rejected where the relevant Consumer is already contracted by its Shipper with National Gas Transmission for the relevant Winter Period for Operating Margins Purposes and where, in National Gas Transmission's reasonable opinion, the Exit Facility Deliverability for that Consumer would be insufficient to fulfil both its Operating Margins and DSR obligations and/or if in National Grid Transmission's reasonable opinion, acceptance of the offer may have an adverse impact on whole energy system security.
4. National Gas Transmission will exclude from the ranking any DSR Option Offer for the Winter Period of the Gas Year for which it determines the Option Quantity to be less than 100,000kWh (and any such offer lapses).
5. National Gas Transmission shall determine (in accordance with the Option Selection Guidance and taking account of DSR Options entered into under previous invitations for the same Winter Period) the total amount in respect of Daily Option Fees to be incurred under that DSR Option Invitation for all Days in that Winter Period.
6. DSR Option Offers are provisionally selected for acceptance, in the order ranked under paragraph (a), until either:
  - (i) the aggregate of the amounts for all Days in the Winter Period in respect of Daily Option Fees in respect of such offers is equal to the amount decided under paragraph 5 ; or
  - (ii) all of the DSR Option Offers are selected.
7. If, following the provisional selection, any of the provisionally selected DSR Option Offers are Linked to a DSR Option Offer which was not provisionally selected:
  - (i) that DSR Option Offer is eliminated from the ranking.
  - (ii) the selection process in paragraph 6 s repeated;

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<sup>8</sup> Gas DSR Methodology v7.0

- (iii) where necessary, this process under this paragraph 7 will be repeated until there has been a selection round following which this paragraph 7 does not apply;

A tenderer may submit DSR Option Offers in respect of the same Consumer for more than one DSR product (i.e. within day, D-1, D-5) from which National Gas Transmission may accept one such offer.

If both the Consumer and a Shipper submit DSR Option Offers in respect of the same site, or more than one Shipper submits a DSR Option Offer for a Shared Supply Meter Point, National Gas Transmission may (in its discretion) accept neither, or one only, of the DSR Option Offers in respect of that site.

### **Quantities Subject to Options: Winter Average Demand**

Following a DSR Option Invitation, National Gas Transmission will determine and notify to each DSR Participant whose DSR Option was accepted, the Winter Average Demand.

### **Winter Average Demand worked Examples:**

#### **Example 1**

DSR Reduced Quantity (a) 150,000 kWh

Winter Average Demand (b) 250,000 kWh

Option Quantity (b minus a) 100,000 kWh

Option Price (in p/kWh/day) 3p per day

Daily Option Fee in £ (Option Quantity \* Daily Option Fee / 100) = (100,000 x 3p = £3,000)

Total winter option payment (Daily Option Fee \* 182) £3,000\*182 = £546,000

#### **Example 2**

DSR Reduced Quantity (a) 150,000 kWh

Winter Average Demand (b) 200,000 kWh

Option Quantity (b minus a) 50,000 kWh

NGT in this example would reject this offer as it is below the 100,000 criteria

Option Price (in p/kWh/day)

Daily Option Fee in £ (Option Quantity \* Daily Option Fee / 100)

Total winter option payment (Daily Option Fee \* 182)

### **9. CREDIT SECURITY (For Direct Consumers Only)**

During the tender evaluation period, NGT will procure a credit assessment via Creditsafe on each Consumer that has submitted a DSR Option Offer directly to NGT. This assessment will return a recommended annual contract limit based upon the credit agency's guidance.

If NGT accepts the offer, NGT will require the Consumer to put security in place for any shortfall between the annual contract limit returned by the credit assessment and 110% of the total winter option payment that would be due to the Consumer. Should such security be required, NGT will communicate this to the Consumer within the acceptance letter, which in accordance with Clause 8 of the NGT-Consumer DSR contract would need to be provided by the Consumer to NGT not later than 30 November 2023.

Security may be provided in the form of a Parent Company Guarantee, Deposit Deed or Letter of Credit, the forms of which are published on its DSR webpage in the Offer documentation section and subject, at all times, to such security being provided by a financial institution or security provider (as the case may be) acceptable to NGT (acting reasonably).

Should a Consumer wish to know its current annual contract limit before submission of its offer, again, please email [Brendan.Mullan@nationalgas.com](mailto:Brendan.Mullan@nationalgas.com) and we will endeavour to provide it.

## **10. DSR CONTRACTUAL RELATIONSHIP**

Where a Shipper wishes to participate in a DSR Option Invitation and / or post a DSR Market Offer the Shipper must seek agreement via the Supplier with the relevant Consumer.

### **Where a DSR Market Offer is accepted by National Gas Transmission:**

The DSR Market Offer acceptance will be a contractual arrangement between the Shipper and National Gas Transmission through the existing OCM Market Rules and UNC contractual arrangements.

Where a Consumer wishes to directly participate in a DSR Option Invitation and has a DSR Option Offer accepted by National Gas Transmission, the terms of the DSR Contract published by National Gas Transmission shall apply to that DSR Option. (The accepted DSR option Offer is subject to contract)

## **11. PAYMENT PROCESS – DIRECT CONSUMER CONTRACTING**

The Monthly Option Fee will be paid to the Consumer monthly on the twelfth (12th) calendar day following the twenty-third (23rd) Business Day after the last Day of the month to which the fee relates;

If NGT exercises the option (i.e. calls DSR), the Exercise Fee will be paid to the Consumer on the twentieth (20th) Day after the last Day of the month in which the Exercise Day occurred and to which the fee relates;

If a Consumer becomes liable to repay a percentage of its option fee pursuant to Clause 6 of the NGT-Consumer DSR Contract as a consequence of its failure to comply with an instruction to reduce demand, payment will be due on the day which is the twelfth (12th) Day after receipt of an invoice from NGT (such invoice to be issued as soon as reasonably practicable after the end of the Winter Period in which the failure day occurred).

## **12. PROCUREMENT POLICIES AND REGISTRATION**

It is National Gas Transmission's procurement policy to procure goods and services competitively, ethically and efficiently in accordance with all relevant laws, regulations and licenses. In particular, all business should be carried out in line with the values and aspirations outlined in our Supplier Code of Conduct.

<https://www.nationalgas.com/suppliers>

## **13. DISCLAIMER**

This Guidance Document is not intended to be legally binding (other than the final paragraph of section 9 (Credit Security (For Direct Consumers Only)) on National Gas Transmission, or to form any offer capable of acceptance and nothing in it shall create any legal relationship between National Gas Transmission and any prospective tenderer.

Those offering to provide National Gas Transmission with services relating to DSR in response to this offer shall satisfy themselves of the accuracy and completeness of any information they may use in preparing their offer submissions, whether such information is provided by National Gas Transmission, or comes from any other source. National Gas Transmission, its advisors, and any other person responsible for production of any information to an offer do not accept any duty of care to any prospective tenderer.

The information contained in this Offer Guidance is, to the best of National Gas Transmission's belief, accurate and has been provided in good faith. However, no warranty or representation or other obligation or commitment of any kind is given by National Gas Transmission, its employees or advisers as to the accuracy or completeness of the information contained in this Offer Guidance.

Neither National Gas Transmission nor its employees or advisers shall be liable for any error, misstatement, or omission in this Offer Guidance, nor shall any such information constitute a contract or part of a contract.

National Gas Transmission will produce and publish an offer outcome report in respect of within-day and D-1 Offers which will be shared with Ofgem and the industry on an anonymous basis within five working days from notification of accepted / rejected option offers to participating tenderers.

**Appendix 1 – Submission Guidance for Shippers Offer Packs 1,2&3. All fields are mandatory unless specified.**

1	<b>User Company Name (Including company number)</b>	Please insert the Shipper's company name.
2	<b>User Representative, Job Title</b>	For the purposes of receiving DSR Offer Acceptance Notices and DSR Offer Rejection Notices, and for any questions in relation to the DSR offer, please specify the representative for whose attention such notices are to be marked.
3	<b>User Representative Business Address</b>	Please insert the representative's Business address.
4	<b>User Telephone Number</b>	For the purposes of receiving offer queries, please specify the representative's telephone number.
5	<b>User Out of hours Telephone Number</b>	For the purposes of receiving DSR Market Offer queries which may occur outside of core working hours in the event of the DSR Market opening.
6	<b>User E-mail Address</b>	For the purposes of receiving communications, please specify the representative's email address.
7	<b>User Legal Agent Name</b>	Where the User is based outside of England and Wales, please provide details of your appointed agent for service of process.
8	<b>User Legal Agent Address</b>	Where a legal agent is appointed, please provide an address for service of process.
9	<b>User Gemini Shipper Short Code</b>	Please insert the 3-character code
10	<b>Consumer Name</b>	Please insert name of the Consumer that would provide the demand curtailment if exercise by National Gas Transmission.
11	<b>Consumer Location</b>	Please insert full facility address including postcode.
12	<b>Type of Business</b>	<b>Use Drop Down Box for answer.</b> Several different sectors have been provided. Please select the one which is most relevant to the site / facility which will be offering the demand curtailment
13	<b>If other, please specify</b>	Please confirm the sector which the site / facilities operate in if the list provided is not adequate
14	<b>Gemini Meter ID and Meter Point Reference Number</b>	Required to identify the specific site on National Gas Transmission's commercial system (Gemini)
15	<b>Optional: How will the demand reduction be delivered?</b>	<b>Use Drop Down Box for answer,</b> please confirm how the demand reduction offered will be delivered e.g., via fuel switching or reduction in the productivity of the facility
16	<b>Optional: If the consumer has the capability to switch to back-up fuel, what type of fuel is this?</b>	This is a free text box to enter the type of fuel
17	<b>Winter Average Demand</b>	This field will be populated by NGT after submission if the offer is accepted
18	<b>DSR Reduced Quantity (kWh/d)</b>	The offered DSR quantity in kWh/d in relation to a DSR Option is the reduced level of offtake (as

		provided in TPD Section D) expressed as a daily quantity in kWh. (Please note : This is the Quantity to reduce to) Please provide only one DSR Reduced quantity per site per winter period.
19	<b>Option Quantity</b>	This field will be populated by NGT after submission if the offer is accepted
20	<b>Lead Time for Reduction (Within Day Offers only)</b>	The number of hours required between acceptance of an associated DSR Market Offer by National Gas Transmission and the time at which it will take effect. Please note this is only required for Within Day offers and is greyed out for Day Ahead and D-5 offers
21	<b>Option Price (pence/kWh/day)</b>	The price that the User requires to be paid in pence/kWh per day if the option offer is accepted.
22	<b>Total Option Fee for Winter Period</b>	This is to be paid to the User in return for is commitment to making the relevant quantity available for gas DSR purposes
23	<b>Exercise Price (pence/kWh or Indexed to System Average Price)</b>	Please confirm if you would like to define an Exercise Price as either a Pence/kWh value or have it indexed to the SAP. <b>Please input only one option</b>
24	<b>Optional Field: (“Maximum Exercise Period”)</b>	A maximum number of days on which the DSR option may be exercised in a winter period. If left blank this means no such restriction applies
25	<b>Optional Field: (“Minimum Exercise Interval”)</b>	A minimum period in Days between Days of non-consecutive exercise If left blank this means no such restriction applies
26	<b>Is the Offer Linked</b>	Optional for the User to specify that two or more DSR offers are linked
27	<b>Which Offer is it linked to</b>	To enable NGT to accept or reject the relevant Option Offers

**Appendix 2 – Submission Guidance for Direct Contracting Consumers Offer Packs 1,2&3. All fields are mandatory unless specified**

<b>1</b>	<b>Consumer Name</b>	Please insert name of the Consumer (facility operator) that would provide the demand curtailment if exercise by National Gas Transmission.
<b>2</b>	<b>Consumer Location</b>	Please insert full facility address including postcode.
<b>3</b>	<b>Type of Business</b>	<b>Use Drop Down Box for answer.</b> Several different sectors have been provided. Please select the one which is most relevant to the site / facility which will be offering the demand curtailment
<b>4</b>	<b>If other, please specify</b>	Please confirm the sector which the site / facilities operate in if the list provided is not adequate
<b>5</b>	<b>Meter Point Reference Number</b>	Required to identify the specific site on National Gas Transmission commercial system
<b>6</b>	<b>Optional: How will the demand reduction be delivered?</b>	<b>Use Drop Down Box for answer,</b> please confirm how the demand reduction offered will be delivered e.g., via fuel switching or reduction in the productivity of the facility
<b>7</b>	<b>Optional: If the consumer has the capability to switch to back-up fuel, what type of fuel is this?</b>	This is a free text box to enter the type of fuel
<b>8</b>	<b>Winter Average Demand</b>	This field will be populated by NGT after submission if the offer is accepted
<b>9</b>	<b>DSR Reduced Quantity (kWh/d)</b>	The offered DSR quantity in kWh/d in relation to a DSR Option is the reduced level of offtake (as provided in TPD Section D) expressed as a daily quantity in kWh. (Please note : This is the Quantity to reduce to) Please provide only one DSR Reduced quantity per site per winter period.
<b>10</b>	<b>Option Quantity</b>	This field will be populated by NGT after submission if the offer is accepted
<b>11</b>	<b>Lead Time (Within Day Offers only)</b>	The number of hours required between acceptance of an associated DSR Market Offer by National Gas Transmission and the time at which it will take effect. Please note this is only required for Within Day offers and is greyed out for Day Ahead and D-5 offers
<b>12</b>	<b>Option Price (pence/kWh/day)</b>	The price that the Consumer requires to be paid in pence/kWh per day if the option offer is accepted.
<b>13</b>	<b>Total Option Fee for Winter Period</b>	This would be paid to the Consumer in return for its commitment to making the relevant quantity available for gas DSR purposes

14	<b>Exercise Price (pence/kWh or Indexed to System Average Price)</b>	Please confirm if you would like to define an Exercise Price as either a Pence/kWh value or have it indexed to SAP. <b>Please input only one option</b>
15	<b>Optional Field: (“Maximum Exercise Period”)</b>	A maximum number of days on which the DSR option may be exercised in a winter period
16	<b>Optional Field: (“Minimum Exercise Interval”)</b>	A minimum period in Days between Days of non-consecutive exercise
17	<b>Is the Offer Linked</b>	Optional if a Consumer wishes to specify that two or more DSR option offers are linked
18	<b>Which Offer is it linked to</b>	To enable NGT to accept or reject the relevant Option Offers

