



national gas

NTS Entry & Exit Capacity Frequently Asked Questions

Welcome to our National Gas Transmission NTS Entry and Exit Capacity Frequently Asked Questions document.

Here we provide information relating to our gas capacity arrangements to support you in purchasing Entry and Exit capacity. We have considered what questions our customers are likely to have in relation to capacity, including auctions processes and timings, reports, charges and more. We hope that you find this document useful.

In addition to this FAQ document, we also provide a customer Capacity Guidelines document which gives a more comprehensive overview of the capacity regime. This is available on our [Capacity](#) homepage.

Please feel free to contact us if you need any further information or if you have any feedback on this document.

NGT Capacity Team

+44 (0) 1926 654057

capacityauctions@nationalgas.com

www.nationalgas.com

National Grid House

Warwick Technology Park

Gallows Hill, Warwick

Contents

Capacity Auctions and Products	4
What is Entry and Exit Capacity?	4
How is Entry and Exit Capacity booked?.....	4
Is there an auctions calendar?.....	4
Is there an Interconnection Points (IP) auctions calendar?.....	4
What are the GB (non-IP) Entry Capacity options?	4
Long-Term Entry Capacity products.....	5
What is the process for booking Quarterly System Entry Capacity (QSEC)?	5
What is the process for booking MONTHLY System Entry Capacity?	5
Annual Monthly System Entry Capacity (AMSEC).....	5
Rolling Monthly Trade & Transfer System Entry Capacity (RMTNTSEC).....	5
Short-Term Entry Capacity	6
What is the process for booking Weekly System Entry Capacity (WSEC)?.....	6
What is the process for booking Daily System Entry Capacity?.....	6
What is the process for booking Daily Buyback System Entry Capacity (DBSEC)?	7
How is Exit Capacity Booked?	7
Long-term Exit Capacity	7
What is the process for booking enduring annual Exit Capacity (EAFLEC)?	7
What is the process for booking annual Exit Capacity (AFLEC)?.....	8
Short-Term Exit Capacity	8
What is the process for booking Day Ahead Daily Exit Capacity (DADNEX)?	8
What is the process for booking Within Day daily Exit Capacity (WDDNEX)?	8
What is the process for booking Daily Off-peak Network Exit (DONEX) Capacity?	8
What is the process for Daily Buyback Network Exit Capacity (DBNEX)?.....	8
What are the rules in relation to allocation of daily firm and daily interruptible capacity?	9
Can I sell unwanted capacity I have purchased?	9
Where can I find information relating to Interconnection Point (IP) auctions?	9
Can I surrender capacity at an IP?	9
What is a PARCA (Planning and Advanced Reservation of Capacity Agreement)?	9
Reports and Results	10
Where can I find allocation results from an auction?.....	10
Where can I find information relating to what capacity is available within day, at any given location, and what capacity has already been allocated?	10
Overruns.....	10

Overruns act as a commercial incentive to encourage users to book capacity commensurate with their gas flows.	10
How are overrun charges calculated?	10
What is a ‘negative’ overrun?	11
Assignments and transfers.....	11
Can I assign my capacity at an NTS Exit Point to another user at the same location?	11
In what system can I assign IP capacity?.....	11
What are my options should I want to reduce the amount of annual or enduring capacity that I hold?	11
Can Capacity be transferred/traded?	11
Capacity Charges	12
What is the Conditional Discount for Avoiding Inefficient Bypass of the NTS? (Previously known as the shorthaul tariff).....	12
Why is there only one Bacton Exit point now as opposed to two?	12

Capacity Auctions and Products

What is Entry and Exit Capacity?

Capacity gives shippers an entitlement to flow gas onto the National Transmission System (NTS), and so capacity is often also referred to as 'rights' or 'entitlements'. A shipper needs to buy one unit of capacity in order to flow one unit of energy onto / off the system and this is known as the 'ticket to ride' principle. Units for both capacity and energy are in kWh/day.

How is Entry and Exit Capacity booked?

Once a shipper has obtained a shipper licence then they can be considered a user of the NTS under the terms of the Uniform Network Code (UNC).

Shippers can obtain capacity by making bids on the Gemini system through several auctions. This is for entry and exit points on Great Britain's National Transmission System. These bids are allocated or rejected in accordance with UNC, and with consideration to our incentive schemes. If your business is not a registered Shipper, please contact: xoserve.customer.lifecycle.team@xoserve.com

Shippers can purchase capacity for the Interconnector Points (IPs) to Europe or Northern Ireland / Ireland through the PRISMA IT system. For information on how to register for an account, please see: <https://platform.prisma-capacity.eu/#/register>

Is there an auctions calendar?

We do not publish an online calendar, however, if you are a registered shipper, you will receive an auction invitation letter for all our long-term capacity auctions before the auction opens (generally the month before) outlining the specific dates of the auction, the processes involved and how to participate. Later in this document we point out the months in which the long-term firm capacity auctions are held and you can also find additional information in our Capacity Guidelines document, available from the [Capacity homepage](#)

Our short-term auctions run on a daily basis and therefore we do not issue an invitation letter for these.

We use an Active Notification System for messages relating to auctions. Please ensure that all your details are up to date. If your contact details require updating, please contact and advise us at capacityauctions@nationalgas.com.

Is there an Interconnection Points (IP) auctions calendar?

The auction dates for all IP auctions are published via the European Network of Transmission System Operators for Gas ([ENTSOG](#)) website. National Gas Transmission does not provide this data or send out any invitation letters for the IP auctions.

What are the GB (non-IP) Entry Capacity options?

Entry capacity at GB locations (non-IP) can be booked up to 17 years ahead right through to on the day it is required. Bookings are made through various auctions and can be for durations that are:

- Quarterly (3-month blocks)
- Monthly
- Weekly, or
- Daily

Capacity being sold at	Y+2 to Y+16	Y to Y+1	M+1	D+9	D+1	D
Firm	Quarterly (QSEC)	Monthly (AMSEC)	Monthly (RMTNTSEC)	Weekly (WSEC)	Day Ahead (DADSEC)	Daily (WDDSEC)
Interruptible					Day Ahead (DISEC)	

Table 1: NTS GB Entry Capacity Auctions

Long-Term Entry Capacity products

What is the process for booking Quarterly System Entry Capacity (QSEC)?

Future long-term capacity, up to 17 years ahead, can be booked through the annual auction for *Quarterly System Entry Capacity* (QSEC) which takes place in March and is open for up to 10 business days. Successful bidders are notified of their allocation in May. Further details on how the QSEC auction operates are available in our QSEC presentation. This is available from our [Entry Capacity homepage](#) (see the QSEC section).

Additionally, long-term capacity may also be assigned through ad-hoc auctions which can be triggered at any time by the signing of a Planning and Advanced Reservation of Capacity Agreement (PARCA). More information on PARCAs is provided later in this document.

What is the process for booking MONTHLY System Entry Capacity?

There are two ways to book Monthly System Entry Capacity; either through the *Annual Monthly System Entry Capacity* (AMSEC) auction or the *Rolling Monthly Trade & Transfer System Entry Capacity* (RMTNTSEC) auction.

Annual Monthly System Entry Capacity (AMSEC)

The Annual Monthly System Entry Capacity (AMSEC) auction is held in February and is open on four separate days. This auction enables shippers to book long-term strips of monthly capacity from April Y+1 to September Y+2. There are four bid windows; each of which is open for one day.

Rolling Monthly Trade & Transfer System Entry Capacity (RMTNTSEC)

Monthly Entry capacity can also be purchased in rolling auctions that take place every month. The bid window is in the month prior to the month for which the capacity is required. There are two parts to this auction process:

- i) The first part is the *Rolling Monthly (Trade Initiation) Surrender System Entry Capacity* (RMTISSEC) process where customers may offer to surrender the capacity they hold, for one month, at a location, and at a price they choose. This auction takes place on the last

business day of each month. Shippers receive notification of the auction two business days prior to it taking place.

- ii) The second part is the *Rolling Monthly Transfer and Trade System Entry Capacity (RMTNTSEC)* auction where shippers are invited to purchase capacity for the following month. This auction takes place on the 7th business day of every month and capacity allocations are made no later than the 10th business day of that month. On completion of the auction, capacity is allocated at the lowest price first, therefore, if there is surrendered capacity offered at a lower price than the reserve price, it will be allocated first. Shippers receive notification of the auction five business days prior to it taking place.

Short-Term Entry Capacity

What is the process for booking Weekly System Entry Capacity (WSEC)?

Entry capacity is offered on a weekly basis in the *Weekly System Entry Capacity (WSEC)* auction, which starts on a Monday and ends on a Sunday. The Bid Window is open on D-10 from 08:00 – 17:00, and allocations take place on D-9 09:00 to D-8 17:00. Once allocated, the results can be seen in the sold/unsold report available to Gemini users.

Any unsold capacity remaining after the WSEC allocation will roll into the *Day Ahead System Entry Capacity (DADSEC)* auction.

What is the process for booking Daily System Entry Capacity?

There are three ways to book *Daily System Entry Capacity*; either *Day Ahead*, *Within Day* or *day ahead Daily Interruptible*.

- i) *Day Ahead System Entry Capacity (DADSEC)* – Requests for daily capacity can be submitted on the Gemini system from D-7 05:00 up until D-1 01:00 and will be allocated in one of the following windows: D-1 14:00, 17:00 or 01:00.
- ii) *Within Day Daily System Entry Capacity (WDDSEC)* – Requests for within day daily capacity can be submitted on the Gemini system from D-1 02:00 up until D 02:00 and will be allocated between D-1 02:30 and D 05:00.
- iii) *Daily Interruptible System Entry Capacity (DISEC)* – Requests for daily interruptible capacity can be submitted on the Gemini system from D-7 05:00 to D-1 13:00 and will be allocated between D-1 13:01 and D-1 14:00

Additional notes on Interruptible Entry Capacity

Interruptible Entry Capacity is designed to prevent hoarding, which is where a party acquires capacity but does not use it. It is made available via a daily auction. Interruptible capacity can be withdrawn (interrupted) by us if flow configurations on the network cannot support that capacity on that Gas Day. The volume of Interruptible Entry Capacity available is made up of:

- a. *Use It Or Lose It (UIOLI)* and is based on a rolling quantity of unused Firm Capacity over the preceding 30 days.

- b. *Discretionary*: This is offered to the market as additional Interruptible Entry Capacity and is released at our discretion.

What is the process for booking Daily Buyback System Entry Capacity (DBSEC)?

There is a process which enables shippers to sell firm NTS Entry capacity back to National Gas Transmission. This is known as the *Daily Buyback System Entry Capacity (DBSEC)* auction and is used for the management of a physical NTS entry constraint risk.

A firm capacity surrender offer is for a specific Gas Day and can be posted at any time from 06:00 D-7 up until 02:00 on the Gas Day. Where a specific firm capacity shortfall has been identified, National Gas Transmission may request firm capacity surrender offers at specific locations by sending an ANS message. Offers will be assessed and allocated in relation to the NTS constraint risk and can only be accepted from 15:00 D-1 up until 02:00 on the Gas Day. Once a capacity surrender offer has been accepted and therefore allocated, shippers must manage their own nominations and revise physical flows accordingly in order to avoid any potential capacity overrun penalty charges.

How is Exit Capacity Booked?

Exit capacity provisions are different to those for Entry and need to be considered separately. For example, Exit capacity is not sold in monthly tranches. In terms of duration, Exit capacity can actually be booked indefinitely i.e. until a shipper reduces or withdraws from the booking.

Bookings are made through various auctions and can be for durations that are:

- Indefinite ('enduring' i.e. booking remains until otherwise changed)
- Annually, or
- Daily

Capacity being sold at	Y+4 to Y+6	Y+1 to Y+3	D-1	D
Firm	Enduring (EAFLEC)	Annual (AFLEC)	Daily (DADNEX)	Daily (WDDNEX)
Off-peak			Daily (DONEX)	

Table 2: NTS GB Exit Capacity Auctions

Long-term Exit Capacity

What is the process for booking enduring annual Exit Capacity (EAFLEC)?

'Enduring' exit capacity once booked is a capacity entitlement that remains indefinitely with the shipper until it is either reduced or withdrawn. The process enables Exit capacity to be booked with a start date any time between gas year Y+4 and Y+6. It is booked via the *Enduring Annual Flat Exit Capacity (EAFLEC)* auction which takes place on each business day during July from 08:00 to 17:00. If successful in the auction, the allocation of capacity is made before 30th September.

Once booked, the capacity can be increased or decreased in a later application window, but this is subject to 'User Commitment Rules' contained in the Exit Capacity Release Methodology Statement. This document can be found on the [Capacity Methodology Statements](#) webpage. This document specifies key rules relating to this auction, for example, that a Shipper must agree to hold the capacity for a set period of time before it can be reduced. A shipper can decrease their enduring capacity holding from Y+1 (October following the July window). Further decreases / increases can be requested in future application windows, which are the business days between 1-15th July from 08:00 to 17:00.

What is the process for booking annual Exit Capacity (AFLEC)?

Annual Flat Exit Capacity (AFLEC) can be booked with a start date any time between gas year Y+1 and Y+3. This is booked via the AFLEC auction which takes place each business day in July from 08:00 to 17:00. If successful in the auction, the allocation of capacity is made within 10 business days of the auction closing. AFLEC is not 'enduring' and cannot be increased or decreased.

Short-Term Exit Capacity

What is the process for booking Day Ahead Daily Exit Capacity (DADNEX)?

National Gas Transmission will make available unsold obligated firm Exit capacity in the *Day Ahead Daily Network Exit (DADNEX)* auctions. Requests can be submitted in the Gemini system from D-7 05:00 up until D-1 14:00 and will be allocated at D-1 between 15:00 and 16:00.

What is the process for booking Within Day daily Exit Capacity (WDDNEX)?

Any remaining unsold capacity after the allocation of the DADNEX auction will roll over and be made available in the *Within Day Daily Network Exit (WDDNEX)* auction. WDDNEX requests can be submitted in the Gemini system from D-1 14:00 to D0 02:00 and will be allocated at D0 06:30 to D0 02:30.

What is the process for booking Daily Off-peak Network Exit (DONEX) Capacity?

In addition to firm NTS Exit (flat) capacity, users may also bid for and purchase Daily Off-peak Exit capacity. This product is sold via the *Daily Off-peak Network Exit (DONEX)* capacity auction. The amount made available depends on the prevailing forecast total system demand for the Gas Day being less than 80% of the 1-in-20 peak day demand. Requests for DONEX capacity can be submitted in the Gemini system from D-7 05:00 to D-1 14:00 and will be allocated between D-1 15:00 and D-1 16:00.

What is the process for Daily Buyback Network Exit Capacity (DBNEX)?

This process enables National Gas Transmission to buy back firm Exit capacity from users and facilitates the management of a physical exit constraint risk.

Where a specific capacity shortfall has been identified, National Gas Transmission may request (by sending an ANS message) firm capacity surrender offers at specific locations. Users can submit offers relating to a specific Gas Day only and these can be posted at any time by 06:00 D-7 up until 02:00 on the Gas Day. Offers will be assessed and allocated in relation to the NTS constraint risk being

managed. We can only accept offers from 15:00 D-1 up until 02:00 D. Once a capacity surrender offer has been accepted and therefore allocated, users must manage their own nominations and revise physical flows accordingly in order to avoid any potential capacity overrun penalty charges.

Allocation

What are the rules in relation to allocation of daily firm and daily interruptible capacity?

Within day auctions are allocated at various times throughout the day. Dependent on when the bid is received will depend on when the bid is allocated. Should National Gas Transmission receive a bid that exceeds the remaining unallocated amount, the bid may only be partially allocated.

Traditionally, bids are ranked in order of bid price. For example, those who bid the highest will win the right to the bid capacity over those who bid at the reserve price.

Should multiple shippers bid for capacity at the same bid price, and the amount of capacity applied for exceeds the remaining unallocated amount, the remaining unallocated capacity will be allocated pro-rata in relation to the quantities originally bid.

Can I sell unwanted capacity I have purchased?

If you have capacity that you wish to surrender within the Entry capacity regime you can do so through the Rolling Monthly Trade Initiation Surrender System Entry Capacity (RMTISSEC) auction which occurs each month. Please be aware that unless the surrendered capacity is taken up by another shipper i.e., bid for, then the capacity will remain with the original holder/shipper.

Within the Exit regime a customer can opt to decrease their capacity in the Enduring Annual Exit (flat) Capacity decrease (EAFLEC) auction window which runs from 1st to 15th July.

There is a further option to assign or transfer capacity to a second party, which is covered below under the 'Assignments and Transfers' section.

Where can I find information relating to Interconnection Point (IP) auctions?

Our Customer Guidelines document provides information on IP auctions, including the auctions, processes, PRISMA system, bundled / unbundled capacity products, harmonisation, capacity conversion and much more. This document is available to view from the [Capacity](#) homepage.

Can I surrender capacity at an IP?

If a user has excess capacity, it can be surrendered back to the TSO.

For more information relating to this process, please follow this link: [How To Surrender Capacity? : PRISMA Capacity Platform \(prisma-capacity.eu\)](#).

What is a PARCA (Planning and Advanced Reservation of Capacity Agreement)?

A PARCA is a bi-lateral commercial contract that allows an applicant to reserve NTS Entry and/or Exit capacity ahead of when the capacity will be needed. The PARCA arrangements were developed with the industry to facilitate the timely delivery of NTS capacity. As part of the process we will make an offer to the PARCA applicant to reserve the capacity for them which is underpinned by that PARCA contract. More information can be found on the [PARCA](#) webpages.

Reports and Results

Where can I find allocation results from an auction?

The results of an Entry capacity auction can be found in Gemini by navigating to: Deal>Bid Capture Reports>Bid Information. For an Exit auction, the file path is as follows: Deal>Capture>Capture Requests.

Allocation results are also published on our website in the [Entry and Exit Capacity Reports](#) section.

You can also view the quantity of capacity that has been sold and remains unsold via the Long Term Summary reports. These are accessed via the same link.

Please note that if no capacity has been sold, the fields and prices in these reports will be blank . Furthermore, we cannot provide individual customers' sales as this is commercially sensitive information.

Where can I find information relating to what capacity is available within day, at any given location, and what capacity has already been allocated?

For Gemini users, this information can be found in the Sold/Unsold reports in Gemini.

- Entry: Product > Publish Reports > MoS Results > Sold/Unsold report
- Exit: Publish > Reports > MOS Reports > Post Allocation Information Report > Sold/Unsold report

For those who do not have access to Gemini, similar kinds of information can be found in the Long Term Summary reports available on our website. However, please note that these reports only consider what has been sold and what quantity remains available following the long-term auctions. They do not consider what has since been sold in the short-term auctions. The links and menu options required are provided below.

Entry: <https://data.nationalgas.com/reports/capacity>

Auction Type: Long Term Summary

Report Type: Summary Report

Exit: <https://data.nationalgas.com/reports/capacity>

Report Type: Long Term Summary

Report Type: Summary Report

Overruns

Overruns act as a commercial incentive to encourage users to book capacity commensurate with their gas flows.

How are overrun charges calculated?

If a user flows more gas onto or off the network than they are entitled to (i.e. in excess of their available capacity), they will be charged in accordance with the principles set out in the Uniform Network Code [Transportation Principal Document](#), section B 2.13 for Entry capacity and B3.13 for Exit capacity.

These charges are based on the difference between the daily flow of physical gas and the user's available capacity at that location. For Entry this difference is charged at 3 times the highest rates paid for capacity on the day, and for Exit the difference is charged at 6 times the highest prices paid for capacity on the day. Exit overruns are only triggered for a user if they flow more gas than they have capacity available AND the gas flowing at that exit point in aggregate by all shippers exceeds the sum of all shippers' available exit capacity.

What is a 'negative' overrun?

Negative overruns occur when a shipper trades more capacity than they have available at a given location. These too incur a charge.

Assignments and transfers

Can I assign my capacity at an NTS Exit Point to another user at the same location?

Shippers can assign all or some of their capacity rights at an NTS Exit Point to another shipper at the same location. The shipper must notify National Gas Transmission no later than 5 days prior to the assignment. Both Users must match the assignment. An assignment is deemed to be approved if either it is approved by National Gas, or if National Gas does not approve, via the Gemini system within 4 days. The shippers' holdings are adjusted accordingly. The shipper being assigned the rights becomes liable for all associated payments and obligations.

As part of the Gemini "Spring Release 2022" project, a shipper can now assign all or part of their Exit capacity holdings. The type of capacity can also be selected as either Annual Yearly or Enduring. Further information can be found on the [Xoserve website](#).

In what system can I assign IP capacity?

The table below illustrates in what system capacity can be assigned:

	Gemini	PRISMA
Unbundled	YES (only if purchased in IPAYNEX auction)	NO
Bundled	NO	NO

Table 3: Assignment of IP capacity

What are my options should I want to reduce the amount of annual or enduring capacity that I hold?

National Gas Transmission holds an Enduring Annual Flat Exit Capacity (EAFLEC) auction in July every year, whereby users can submit decrease requests subject to user commitment.

Can Capacity be transferred/traded?

Entry and Exit capacity can be transferred via the 'secondary' market. However, with traded capacity whilst the entitlement to flow against the capacity moves to the recipient, the transferring party retains their obligation to National Gas Transmission for the capacity charges associated with their original booking. For GB locations, secondary trades are completed in Gemini and for Interconnection Points, trades are transacted on PRISMA.

Capacity Charges

What is the Conditional Discount for Avoiding Inefficient Bypass of the NTS? (Previously known as the shorthaul tariff)

A means of managing inefficient NTS bypasses within the charging framework is to offer a charging arrangement specifically for directly connected NTS Users located at, or near, Entry Points where construction of a pipeline to bypass the NTS may otherwise be a commercially viable option.

Uniform Network Code Section B, section “9. Conditional NTS Capacity Charge Discount” provides details of these charges.

If you have any further queries, please contact the Charging Team at box.NTSGasCharges@nationalgas.com

Why is there only one Bacton Exit point now as opposed to two?

Ofgem approval of UNC Modification 0785, which came into effect on Gas Day 1st March 2022, saw the two Bacton Exit points (BactonINT & BactonBBLINT) combined to create one aggregated point known as Bacton (Exit) IP.

For more information on this modification, please follow this link [here](#).

Not found what you're looking for, then please contact us!

Capacity Auctions

National Gas

+44 (0)1926 654 057

capacityauctions@nationalgas.com