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Gas Transmission Policy
Ofgem
107 West Regent Street
GLASGOW
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22 July 2010

RE: **Review of NTS entry charge setting arrangements Impact Assessment Ref 77/10**

Dear Richard,

Centrica welcomes the opportunity to comment on the issues raised in the impact assessment document 77/10. This response is on behalf of the Centrica Group excluding Centrica Storage Ltd. There is no confidential information contained within this response. We first set out some more general observations on the Impact Assessment document of 24 June and then set out our answers to the specific questions posed in the consultation document.

Background & context

Centrica fully supports the work which has been done to date by the Entry Capacity Charging Review Group and the changes proposed in Phase 1. We now face a situation where the LTSEC, MSEC, RMTTSEC, and DADSEC auctions only recover 40% of the allowed Entry revenue. Broadly speaking, the longer term auctions are based on a Long Run Marginal Cost (LRMC) charging approach, while those capacity auctions conducted Day Ahead and Within Day (with heavily discounted reserve prices, or none) could be presumed to clear at something close to Short Run Marginal Cost (SRMC). In order to recover the allowed Entry revenue, it is clear that all shippers must expect to pay, in total, considerably more than the current cost-reflective (marginal cost) capacity charges. The key issue is how best to recover the "missing" portion of allowed Entry revenue, over and above the level of revenue currently achieved from capacity auctions, consistent with the "relevant objectives" for gas transmission charging and the relevant licence obligations on NGG.

At the same time, we note that short term auctions (DAH and within-day) now account for as much as 40% of all Entry capacity bookings, but provide less than 1% of all Entry capacity revenues.

Against this background, we do not consider that the Ofgem IA document has clearly established an appropriate set of principles for efficient transmission charging under these current circumstances. In our view, the key objective must be to "top up" the current level of auction-based Entry capacity revenues in the manner which causes least distortion to an efficient use of the gas transmission network **and** the efficient and effective operation of a competitive gas market.

In this context, we consider that there are significant flaws in Ofgem's analysis of both the current charging structure and the proposed changes to charging methodology. In relation to the shorter term auctions, Ofgem focuses almost exclusively on the case for maintaining SRMC based capacity charges which, it is argued, should allow the short term capacity market to

“clear” in an efficient manner. However, this is only **part** of the “marginal cost signal” which drives actual gas flows and the manner in which the gas transmission network is used.

Many decisions to flow gas in the market are typically made on a DAH and within-day basis. From an economic and commercial point of view, it is probably correct to regard the cost of long term capacity bookings as “sunk” at the point such decisions are made. However, the marginal cost signal which the gas shipper faces consists of **two** elements – the cost of any short term Entry capacity booking which may be required **plus** the Commodity (TO plus SO) cost of using the system – plus of course any other variable costs or charges which may be incurred as part of a particular gas dispatch decision. At the margin, market-driven shippers will normally flow gas only when the margin they can realise by so doing exceeds the **total** amount of marginal cost that they face by doing so.

From this it follows that the TO Commodity charges are an important (normally, the largest) part of the marginal cost that any shipper faces when choosing to enter the NTS. As such, our strong contention is that the current high level of TO Commodity charges (probably more than 5 times the level of any relevant variable costs to NGG of accommodating additional entry flows) has a major influence on gas dispatch decisions and thus distort the efficient working of the market and transmission network use which an appropriate transmission charging structure ought to promote.

Such distortions are most likely to arise where shippers or bulk gas suppliers enjoy a degree of dispatch optionality. A few practical examples may help to illustrate the point, viz:

- shippers who hold IUK capacity between Bacton and Zeebrugge deciding whether to flow gas from ZBH to NBP, or vice versa;
- shippers flowing UKCS gas into Bacton, deciding whether to flow gas into the NBP or our through IUK to Belgium (benefiting in the latter case from short haul discounts);
- similarly, beach gas shippers deciding whether to flow gas to the NBP or to proximate power stations (again, benefiting from short haul tariff arrangements);
- LNG suppliers deciding whether to bring spot cargoes to UK regasification terminals, or to other North West European terminals (e.g. Zeebrugge, Montoir) where lower marginal transmission costs may apply.

In each case, high commodity transmission charges in GB are often a significant influence on such decisions and can cause them to be made one way rather than another (see *Appendix A*). Overall, we consider that such charges constitute, in practice, a “bias against imports” which sits ill with overall UK gas supply security objectives. Our conclusion is that basis differentials generally do not reflect commodity charges; this implies that users with optionality can obtain the highest margins by delivering to hubs other than the NBP.

There is a possible objection to our line of argument which ought perhaps to be considered at this point. If it were the case that increased TO Commodity simply led to an equivalent upward adjustment of NBP prices relative to those at other NW European gas hubs, then their market distorting effect might be limited or even immaterial. However, this is not in fact the case. Liquidity at those other hubs remains relatively poor and traded prices tend to take their lead from the NBP. We have made an assessment of any possible correlation between the changing level of TO Commodity charges, since 2004, and the NBP-ZBH basis differential, but very little correlation of any significance appears (see *Appendix B*). This statistical analysis confirms our observation of real world market behaviour – i.e. that the changing level of NTS commodity charges has in fact played a major role in gas dispatch decisions.

The current proposals

Centrica believes that while the proposals represent a first step, in the right direction, towards meeting the objective of minimising the proportion of the TO Entry allowed revenue collected through commodity charges there is a need for a thorough review of the way in which charges are applied in order to make this more cost-reflective. We are of the view that the current charging structure leads to high and volatile commodity charges. The impact of this is a transmission charging structure which is far from cost reflective, distorts market signals and applies incentives to participants that can only be described as perverse if the objective is to

provide the TO with investment signals...i.e. it may specifically disincentivise longer term capacity commitments. In this respect National Grid Gas is consistently failing to meet an important licence objective.

We believe, however, that the proposed measures will only serve to stop the proportion of TO entry target revenue recovered through entry capacity charges from reducing still further. While we support a phased implementation approach we do believe that Phase 2, with measures designed to increase the entry capacity charge revenue to around [75%] and make the commodity charge more cost reflective should follow shortly after Phase 1. There is little justification for delay to Phase 2 when the impact of the Phase 1 measures will of necessity be limited because the auctions are failing to sell sufficient capacity. It is the potential for further phases afterwards in order to bring capacity revenue more or less into line with target which will have to be assessed in the light of experience.

We think an “enduring” reform of charging methodology might include a “lump sum taxation” ideal, beloved of academic economists, i.e. that the solution must be to get away from inflated Commodity charges altogether. Frontier Economics cover this in a separate note and suggest other possible solutions. Centrica believes that there may be merit in an “annual entry ticket” for the right to participate in short term (DAH, WD) auctions, where the price of the annual ticket reflects the maximum amount of short term entry capacity which a shipper wishes to be allowed to bid for. This would help to bring in revenue and redress the current inequitable charges while not distorting the short run marginal cost signal.

While we would ideally want better prediction of the TO commodity charge this should not be used as an excuse for keeping the charge at anything like its current level, which serves only to commoditise a charge which, in order to achieve true cost-reflectivity, should be a capacity (or, at least, capacity-related) charge. A high level of TO commodity charge is likely to be passed through to consumers, makes hedging for fixed price tariffs more difficult and stifles competition since it reduces differentials between entry points and users of lower cost entry points cannot offer consumers beneficial tariffs.

Under the current arrangements shippers who rely mainly on short term capacity bookings are likely to benefit from an “unfair” competitive advantage and/or margin windfall while a movement to short-haul tariffs for large consumers is encouraged.

By reducing the level of commodity charges, or at least averting a likely further rise, we consider that the current charging proposals would better meet the relevant objectives than the current charging structure – since they will help to reduce the current distortion of competitive market behaviour and support a more efficient use of the gas transmission network

Ofgem’s specific questions

We give below comments and responses to the specific questions for discussion posed in the document.

CHAPTER THREE

Question 1: Do you agree with NGG’s analysis on the impacts of removing the reserve price discounts?

Yes we do. In particular the removal of price discounts would mean the long-run costs incurred by making transportation capacity available at each ASEP would be much better recovered through entry capacity prices, hence automatically making the TO commodity charge much more cost reflective as well. At the moment, the TO commodity charge is simply used as a balancing revenue mechanism which is not cost reflective at all.

It is acknowledged that this first phase may have limited impact on recovering the large sums of projected under recovered entry capacity revenue, but it is however an important first step in the

right direction, in other words this better meets the relevant objectives. The industry alongside NGG and with Ofgem's oversight have worked together to put forward a workable, beneficial, and fair solution to Ofgem. It would be too quick to dismiss the proposals for fear of only having limited impact as important behavioural changes and other beneficial impacts can develop. Without this first phase (the entry charging review group did express a preference for a phased approach) there would no learning from which to draw upon for further developments.

In addition to making charges more cost reflective, promoting longer term investment signals, preventing cross subsidisation and undue preference, stimulating the secondary market for capacity, and increasing competition for capacity are all impacts which Centrica views to be beneficial to the industry as a whole. Removing the reserve price discounts does not have any real disadvantages.

CHAPTER FOUR

Question 1: Do you agree with our analysis of the proposals against the appropriate objectives?

No. In section 4.20 Ofgem states that there are low levels of competition for capacity in the short-term. This is an interesting point as having zero or discounted short-term capacity prices since 2003 (with the decision on PC76) has done nothing to improve competition in the short-term according to Ofgem's statement. This is further supported by the entry capacity revenue data provided by NG on its website. Here it is clearly shown that in the past three formula years the average actual price paid for all WDDSEC and DISEC capacity purchased is near zero at 0.0001 p/kWh/day. In addition, in section 4.7 it states "The relevant objectives of cost reflectivity and non-discrimination are designed to simulate the network charges customers would face in a competitive gas transportation market", hence if there are low levels of competition for short-term capacity then surely the objective of cost reflectivity is not being met with zero or near zero prices for daily capacity.

While it is true that NTS investment is lumpy and that *sometimes* capacity can be provided at no marginal cost, it does not necessarily mean that capacity *should* routinely be provided at no marginal cost. In a regime where NGG have a set sum of revenue to recover from charges, providing capacity at zero reserve price in the short-term distorts the way entry revenue is recovered from the industry and inherently does not satisfy the Licence obligations. Ofgem states that longer term capacity auctions place a reserve price on capacity because there is certainty that the capacity will be there when needed. Having the capacity there does not, however, imply that gas will arrive. What Ofgem fails to address is the fact that most daily capacity is certain to be available and that users who bid zero for daily capacity do not *truly* value that capacity at zero but are rather using the opportunity presented by the current regime of low daily capacity charging to (legitimately) decrease their business costs. This is not an efficient and economic way of operating the NTS system. As a result, entry revenue is largely under recovered by capacity revenue and users who book capacity in longer term auctions are penalised by not only having to pay capacity charges but also a high TO commodity charge which actually includes a portion of the capacity cost for the short-term users. Centrica would argue that in a regime where NGG have a set revenue amount to recover from *all* industry players that these effects clearly reveal undue preferential treatment for industry users booking short term daily capacity.

In addition, with industry users knowing that daily firm capacity will be available at zero or near zero prices (Ofgem states in 4.20 that capacity at the majority of entry points is not fully used), the incentive to book longer-term capacity is greatly diminished and serves to completely undermine the Licence objective of securing supply security standards. This is further reinforced when reviewing the 'GCM19 Further Analysis' document and the 'NTS Entry Capacity and Revenue Data' posted on NGG's website. These documents clearly reveal that there has been an increasing reliance on daily capacity since the 2007/08 formula year. To be precise, DAH and shorter auctions account for nearly 40% of all volume allocated over the three years, while contributing less than 1% to the overall amount of revenue generated from the auctions. DISEC

and WDDSEC volumes allocations are more than half (58%) of the long term auction volume allocations, with DISEC alone accounting for 35% of the 58% amount (see *Appendix C*). The incentive to book longer term capacity has been eroded over the years with low daily firm (or effectively firm as daily interruptible capacity is rarely *if ever* interrupted) capacity prices where now the incentive being signalled is to book shorter term capacity. With clear evidence of these issues, we do not believe that the status quo can be allowed to continue by Ofgem when in our view the Licence obligations to provide incentives for security of supply and the efficient and economic operation of the NTS system are not being complied with and this failure has persisted for a significant period of time.

Centrica also disagrees with Ofgem's statement "that the availability of short-term capacity at marginal cost should not be curtailed by the imposition of artificial price barriers", as short-term capacity will still be available under the proposals but *at a cost*. To reiterate, where NGG have to recover a set level of entry capacity revenue and when there are large under recoveries as we have today, it can be appropriate to apply higher prices (above the SRMC) to daily capacity. The analysis of UNC285 in Appendix 7 of Ofgem's report even reveals that in the last three winters there would have been no instances where no UIOLI would be offered for sale at the DADSEC auction and where no firm daily capacity was available at the WDDSEC auction. Clearly the fears of not having daily capacity available are unfounded. Daily capacity can and would be available at a price, which would not hinder the efficient use of the system but rather help it as longer term capacity intentions would be better incentivised so as to avoid future capacity constraints. Users should be able to choose a relatively certain capacity charge or a volatile commodity charge, but should not have to pay both.

Question 2: Do you agree with our provisionally preferred approach which would be to not implement any proposal to reallocate the revenues from baselines?

Centrica does not agree with this. We would welcome the reallocation of daily sales revenue of baseline entry capacity from SO to TO revenue, but understands the impact on the TO commodity charge may be limited and even more limited if there is a large change of behaviour towards purchasing longer term capacity (given all proposals are implemented). For this reason Centrica would be willing to wait to make this change until the next price control review (since it is in the near future) but monitor closely in order to ensure that excessive amounts are not fed into SO revenue. This would give proper time to assess market behaviour from the proposals and the impacts on the price control packages for TO and SO activities.

Question 3: Are there any other factors we should consider?

Throughout Ofgem's Impact Assessment report reference is made to marginal cost pricing and specifically how the LRMC and SRMC should apply to capacity of different durations. It is interesting to note however, that nowhere in the charging methodology or Licence obligations does it specify to use the SRMC, reference is only made to the LRMC. If this is an essential point in Ofgem's preferred approach to veto implementation of these proposals, then surely the rules for applying the SRMC to charging needs to be specified and defined beforehand. Clarity on what exact auctions are considered medium term would be useful as well, as the MSEC and RMTTSEC auctions apply reserve prices equivalent to the LRMC of providing additional capacity, yet bidders in these auctions cannot actually bid for incremental capacity, only existing capacity. It would be beneficial to clarify why users purchasing capacity just a month (or months) ahead of use should pay a higher cost relative to daily capacity purchases since one could argue a few months is not a long enough time period to provide long term capacity intentions nor any incremental capacity investment.

Centrica considers that any difference between the reserve prices used in monthly and daily auctions should be reflective of the difference in cost of provision of capacity, but is of the view that while the LTSEC auctions are failing to recover sufficient revenue the reserve prices used in monthly and daily auctions should both be reflective of LRMC.

Ofgem also seems to be concerned with the fact that users may be exposed to charges above the SRMC for daily capacity, but what it fails to see is that these users pay a charge above the SRMC in the end in any case as they pay the TO commodity charge (on volumes flowed) which includes the under recovered capacity costs. Hence, short-term users are actually paying above the SRMC for the entry capacity they purchase if they flow gas, but it is just 'masked' under a different charge – the TO commodity charge. It appears inconsistent that it should be acceptable to Ofgem for short-term users to pay above the SRMC for capacity under this scenario but not under the proposals discussed in this IA. Under these proposals we believe that charges would be more cost reflective than they are today as capacity costs would be recovered through capacity charges and not simply commoditised, and long term capacity users would not be subsidising short term capacity users, who would pay an equitable price.

CHAPTER FIVE

Question 1: Do you agree with our analysis of each of the options against the measures we consider?

Centrica agrees with the general analysis on the proposals when considered as a suite of measures rather than stand alone proposals. The various combinations of proposals and their effect on entry revenues look to be correct at a general level.

Question 2: Are there any other measures we should have assessed the options against?

No.

CHAPTER SIX

Question 1: Do you agree with our analysis on the impacts of the options on existing and future consumers being their interests as a whole in terms of both security of supply and reduction of greenhouse gases?

In terms of any impacts on greenhouse gases Centrica does not agree with Ofgem. In addition we do not agree with the assessment on the impact on consumers in terms of security of supply. Firstly, Ofgem states that when the reserve price discounts are removed only marginally more long-term signals for capacity will result. The impact on market behaviour cannot be fully predicted at this time and can be much more than marginal. We argue that since close to 40% of volume capacity allocations are associated with the short-term auctions, that there is quite a lot of potential for market behaviour to change towards purchasing capacity in the longer-term auctions.

Secondly our analysis of hub differentials shows no TO entry commodity built into the basis differentials but we do not think that this means that the market ignores TO entry commodity completely, rather we believe that it gets added to the prices not just of NBP but also of ZEE and other hubs where prices follow the lead set by the NBP. The impact of this is then a combination of:

- Diverts flexible gas away from the UK (as already suggested)
- Use of more gas which cannot avoid paying TO entry commodity i.e. UKCS gas (depletes reserves faster and reduces security of supply)

- Reduced demand (power generation uses other fuels and produces more greenhouse gasses)

The resulting price change could be less than the TO entry commodity, if the market finds an equilibrium based on high demand elasticity, or even greater than the TO entry commodity, if there is little or no demand elasticity and such a price is required in order to bring on sufficient UKCS gas. We believe that market behaviour in the last few months, which have seen higher market prices than during Q1 2010 associated with high levels of export flows through IUK is evidence which supports our view. Further evidence has even been seen in the last few days, when slightly reduced market prices have been associated with lower levels of export flow.

Thirdly, Ofgem is suggesting that security of supply is only dependent on predictability of entry charges and investment signals in long term capacity auctions to ensure the demands for capacity in GB are met. What Ofgem has failed to recognise is the fact that the *high level* of the TO commodity charge serves to divert gas from entering the UK, thus further weakening GB's security of supply, and it also distorts market behaviour.

Question 2: Do you agree with our analysis on the impacts on health and safety?

Yes Centrica agrees.

Question 3: Do you agree with the risks and unintended consequences we have identified?

No. Centrica believes that the combination of GCM19, UNC285, and UNC284 would result in maximising TO entry capacity revenue, since if firm daily capacity was still available at zero prices it would undermine the effects of the proposals. Participants would still procure daily capacity at zero/near zero prices since it is available and there is the incentive to do so, and entry capacity revenue would still remain at a low level keeping the TO commodity charge high.

It is true that secondary trading of capacity can be stimulated by these proposals and Centrica does not see this as an undesirable risk or unintended consequence. In fact as the first phase is trying to address the large entry capacity revenue under recovery, we see this effect as beneficial and the proposals should not be dismissed simply because auction revenues may not be maximised. These proposals are a step in the *right* direction by promoting longer term capacity sales, increases in the proportion of allowed revenue recovered from entry capacity and a more active and liquid secondary trading market for capacity. In fact we do not believe that any of the risks and unintended consequences identified by Ofgem here are truly detrimental or restrict further enhancements to the entry charging regime.

Question 4: Are there any other impacts we should have addressed?

No.

CHAPTER SEVEN

Question 1: Do you agree with our conclusions?

No, Centrica does not agree with Ofgem's application of marginal cost pricing. Ofgem assumes that the market is working 'perfectly' so that it can apply 'perfect' economic principles of marginal cost to the setting of entry capacity charges. This simply does not work in reality where NG has set entry revenues to recover while spare capacity is priced zero. The subsequent

consequences are clearly evident in today's market, where users are using the NTS system to decrease their costs (since spare capacity is available at zero), and where entry revenue is under recovered leading to a high TO commodity charge. A high TO commodity charge serves to create market distortion in terms of gas imports and exports to the UK and Ofgem has failed to recognise this important issue.

Ofgem feels applying the LRMC to short term daily auctions would increase the potential for cross-subsidies but has completely failed to acknowledge that cross-subsidies already occur under the current charging methodology (long term purchasers subsidising short term purchasers) and this is in violation of the charging objectives of avoiding undue preference and promoting competition. In the 'imperfect' market which exists today, Centrica does not believe that applying the LRMC to daily capacity charges would increase the potential for cross-subsidies but would rather make the recovery of entry capacity revenue more **equitable**. Ofgem has also acknowledged the fact that competition in the short term for capacity is very low but has failed to indicate why keeping the status quo of applying the SRMC to daily capacity is **better at** promoting competition than when applying the LRMC to daily capacity.

Question 2: Are there any other issues that need to be raised to inform the Authority's decisions on these proposals?

It seems as if the reasons which Ofgem are using to arrive at the position of 'minded to veto' the proposals are comparison with an ideal market background and charging principles which do not actually apply in practice. The current charging methodology was designed in 2002 when 1-in-20 peak day demand equalled the sum of the entry capacity available and there was little scope for imports to the UK or for gas to be flexible in its country of destination. There is a need for the entry capacity charging methodology to reflect the current gas market structure.

The issue of spare capacity and its impacts on entry revenue recovery is an issue which needs to be raised. It is important to note that GCM19 and the associated UNC modifications are a step in the right direction i.e. better facilitate the relevant objectives in terms of entry revenue recovery and these proposals not only indicate that market behaviour would be much less distorted than it is today, but entry revenue would also be recovered in a more equitable manner across *all* network users (not just the long term users). Unless all spare capacity (including interruptible) is priced appropriately and the revenue from all daily capacity purchases is treated as TO revenue, entry revenue will continue being under recovered and TO commodity charges will remain high. What is really needed in the future is analysis on the appropriate price and level of spare capacity that is made available in the short term, this could include a review of setting of baselines, which would be appropriate in the next TPCR. This analysis could easily follow as the second phase to these proposals and the acceptance of these proposals would not in any way hinder or be a detriment to this analysis.

For any solution to work properly i.e. recover the correct level of allowed revenue through capacity auctions, there needs to be a restriction placed on NGG's ability to release discretionary capacity **at low prices**. There is also a need to stimulate the secondary market such that users who hold 'spare' long term capacity would then know that it could be sold for a fair market price, whether through OTC trades or the RMTTSEC process.

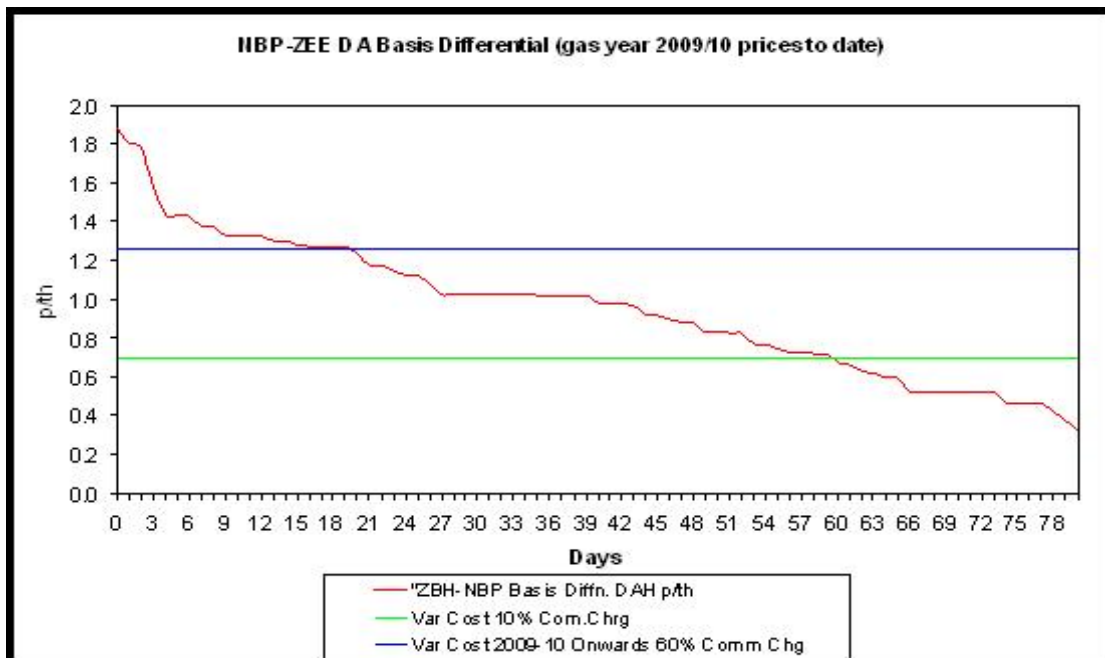
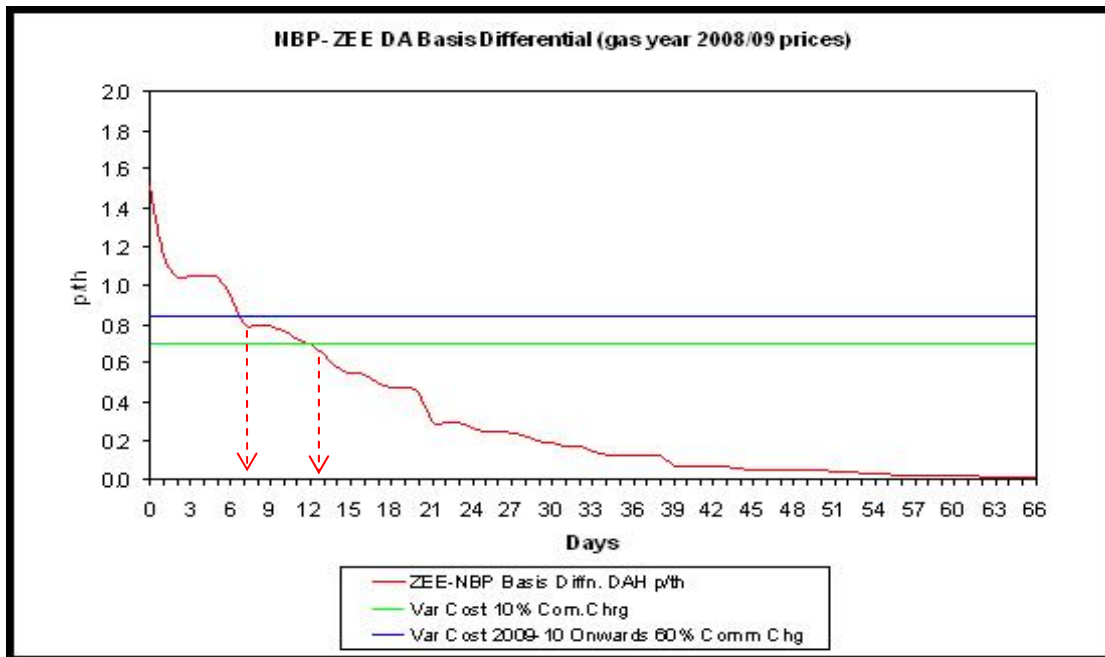
While a more fundamental review of entry capacity charging is undoubtedly required there is certain to be a delay of at least eighteen months before any proposals could be implemented. This is the time needed for a review group to discuss and formulate proposals which would then need to be consulted on. If the current proposals are vetoed then the situation which needs to be addressed can only get worse in the meantime.

Regards,

Clive Woodland
Planning & Analysis Manager

APPENDIX A

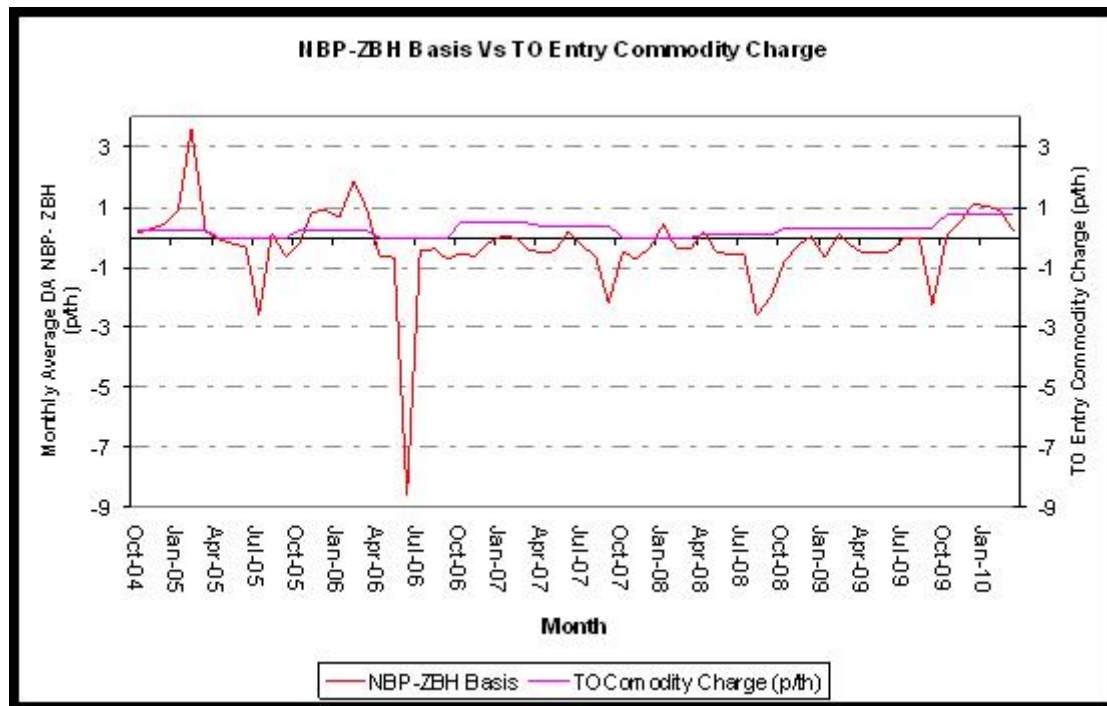
The level of TO Entry Commodity charges has a material impact on the likely flow of gas via IUK from the Continent into GB.



APPENDIX A cont'd

- The graphs above reveal that if considering margin above the TO & SO commodity charge (charge associated with recovering 60% of entry allowed revenue), gas would have flowed to the UK between 7 and 20 days (when looking at 2008/09 and 2009/10 gas years respectively).
- Similar analysis has been done for NBP vs. TTF, and NBP vs. PEGN differentials and the results are of the same magnitude as indicated by the NBP vs. ZEE differentials.

APPENDIX B



- Analysis of NBP-ZBH Basis differential and the TO Entry Commodity Charge for the period Oct 2004 - Mar 2010 (inclusive), indicates that there is very little correlation between the monthly average of NBP-ZBH prompt spreads and the TO entry commodity charge. Furthermore, seasonal analysis of data also reveals a drop in the degree of correlation in summer and winter months. This reveals that the NBP -ZBH spread is even less correlated to the TO Entry Commodity Charge, on a seasonal basis, with smaller correlation coefficients for both winter and summer periods. The table below shows these figures, highlighting the degree of correlation between NBP-ZBH prompt spreads and the TO Entry Commodity Charge.

Period	Correlation Results
Oct 04-Mar 10	0.2794
Oct 04-Mar 10 (Summers Only)	0.1664
Oct 04-Mar 10 (Winters Only)	0.1234

APPENDIX B cont'd

- When flows are segmented into Import and Export mode flows (net for the month) and correlated to the NBP-ZBH Basis, the following results are observed:
 - Flows into UK: Correlation (0.1627), R2 (0.0265)
 - Flows out of UK: Correlation (0.3359), R2 (0.1129)Correlation between the monthly average DA NBP-ZBH Basis segmented by inflow/outflow to/from the UK still remains at a low level.

APPENDIX C

(Source of Data: National Grid, www.nationalgrid.com, NTS Entry Capacity and Revenue Data)

Auction Income (£)	2007/08	2008/09	2009/10	3 Yr Totals	3 Yr %s	
QSEC	112,335,810	124,044,595	107,726,177	344,106,582		
QSECMH	9,208,378	20,332,048	23,111,374	52,651,800		
MSEC	89,373,587	63,614,645	14,984,332	167,972,564		
RMSEC	5,630,989	1,300,520	-	6,931,509		
RMTNTSEC	-	-	775,421	775,421		
TTSEC	13,475,325	-	-	13,475,325		
						The longer term auctions represent the highest contribution to entry capacity revenue, yet entry revenues are still largely under recovered.
RMTTSEC	-	3,143,101	144,301	3,287,402	99.1%	
DADSEC	750,043	715,075	1,038,720	2,503,839		
						WDDSEC & DISEC auction revenue represent a contribution of only 0.5% to overall entry capacity revenue.
WDDSEC	913,811	93,120	119,323	1,126,255	0.5%	
						Short term auctions (DAH and within day) represent a contribution of less than 1% to overall entry
DISEC	1,036,219	372,546	441,488	1,850,253	0.9%	
Totals	232,724,162	213,615,652	148,341,136	594,680,950	100%	

(Source of Data: National Grid, www.nationalgrid.com, NTS Entry Capacity and Revenue Data)

Capacity GWh/day	2007/08	2008/09	2009/10	3 Yr Totals	3 Yr %s	
QSEC	1,212,551	1,342,525	1,376,080	3,931,156		
QSECMH	100,734	246,316	287,433	634,483		
MSEC	411,942	445,926	244,187	1,102,056		
RMSEC	117,891	19,882	-	137,773		
RMTNTSEC	-	-	21,983	21,983		
TTSEC	19,274	-	-	19,274		
						% of capacity bookings from all auctions up to DADSEC.
RMTTSEC	-	42,290	18,375	60,665	63%	
DADSEC	36,666	28,668	11,771	77,106		
						WDDSEC & DISEC bookings represent more than half of all long term capacity bookings (all auctions up to DADSEC).
WDDSEC	339,231	416,030	560,816	1,316,077	58%	
						% of capacity bookings from DADSEC auctions onwards (incl. all daily capacity bookings except DRSEC).
DISEC	689,645	646,252	753,916	2,089,813	37%	
Totals	2,927,934	3,187,889	3,274,562	9,390,385	100%	