

APX Gas Overview

EnEx and OCM

**Presented by Ben Mitchell
Business Development Manager, APX Group**

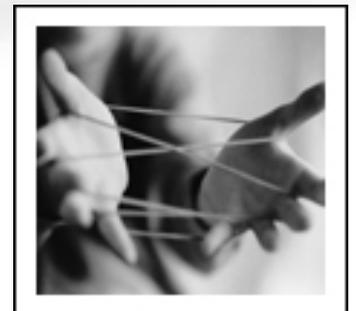


Agenda

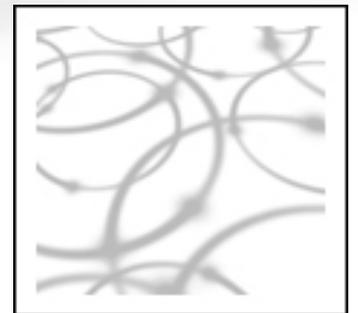
- APX Gas and the EnEx

$$\text{EnEx} = \text{OCM} + \text{NBP} + \text{ZEE} + \text{TTF}$$

- Background
- Trade Management and Contracts
- Trade History
- Fee Structure
- Credit Arrangements
- How to join APX Gas

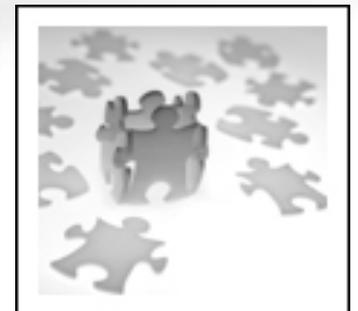


APX Gas and the EnEx Background



OCM Introduction

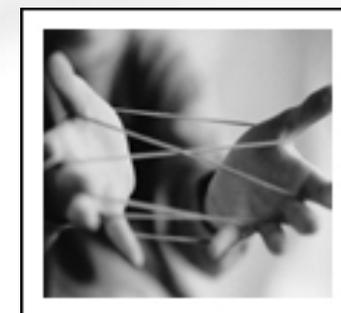
- On-the-day Commodity Market (OCM) went live 30th September 1999
- Replaced Transco's Flexibility Mechanism
- The market for Transco's balancing trades
- The OCM sets the gas imbalance prices
 - System Average Price (SAP)
 - System Marginal Price (SMP_{Buy} , SMP_{Sell})
- Anonymous market, APX Gas as Central Counterparty
- 24 hours x 7 days
- Internet based



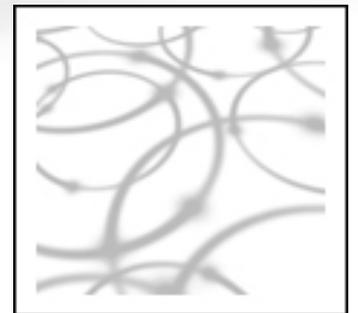
APX History

- APX Spot market (electricity) May 1999
- APX UK (electricity) Feb 2003
- EnMO (gas) July 2003
- UKPX (electricity) Dec 2003
- APX Gas NL Feb 2005
- APX Gas Zee Feb 2005

- www.apxgroup.com



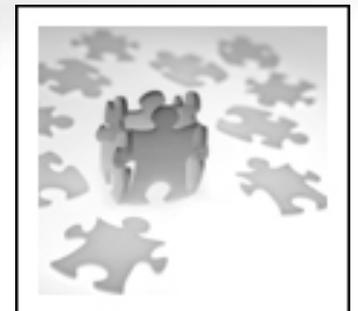
Trade Management and Contracts



Trade Management



- OCM Markets - All trades deemed to take place at NBP
 - NBP Locational - Single entry or exit point at which gas is bid/offered. Will change physical flow rate of gas.
 - NBP Physical - Post trade acceptance, the bid originator shall identify the location(s) at which gas will be delivered, or offtaken. Will change physical flow rate of gas.
 - NBP Title - This bid/offer is a transfer of title of gas between market participants and takes place at NBP. However, this trade may result in a physical flow rate of gas change.



On-the-day Commodity Market

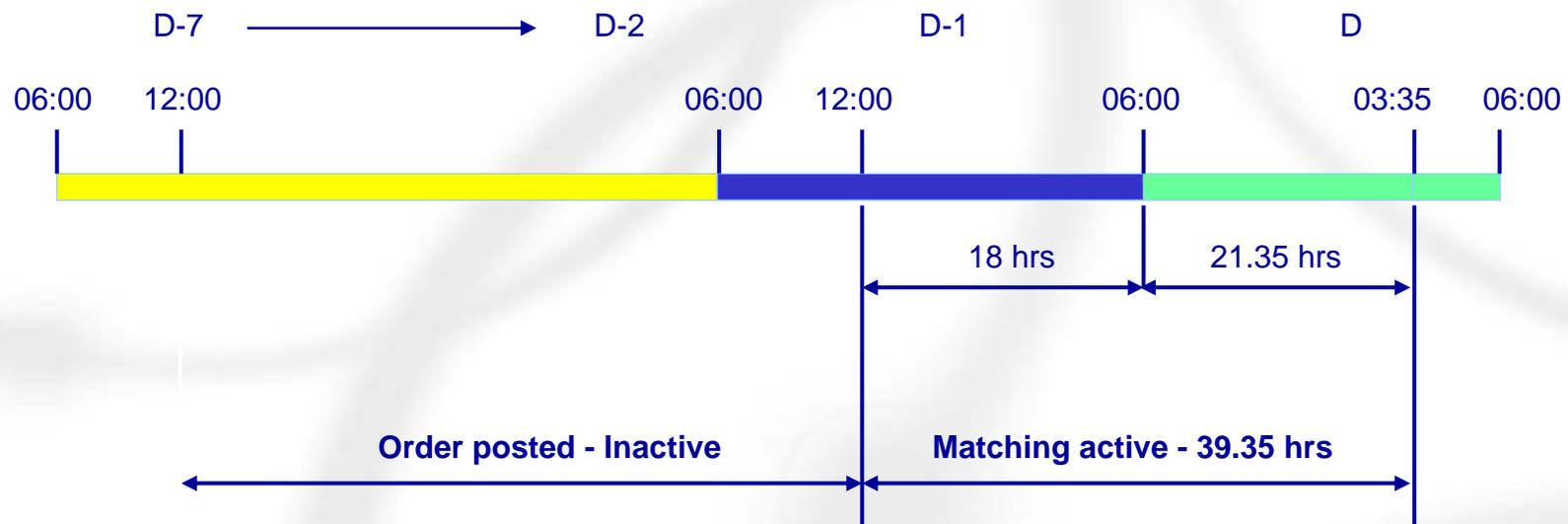


▪ **Standardised:**

- Counterparty APX Gas
- Contract NBP - Title, Physical & Locational
- Trading period 12:00 D-1 to 03:45 D
- Lot 1,000 Therms/day (29,307.1 kWh/day)
Minimum 4 lots (117,228.4 kWh/day)
- Tick size 0.01p/Therm (0.3412p/MWh)
- Delivery period Gas flow day (D)
- Settlement Physical obligation at delivery
APX Gas AT-Link nomination



OCM Trade Management Time Scales



Note. NBP trading hours: 06:00 – 17:30 Mon-Fri

National Balancing Point (NBP)

- **Standardised:**

- Counterparty
- Contract
- Trading period

- Lot

- Tick size
- Delivery period
- Physical settlement

APX Gas

NBP Title market

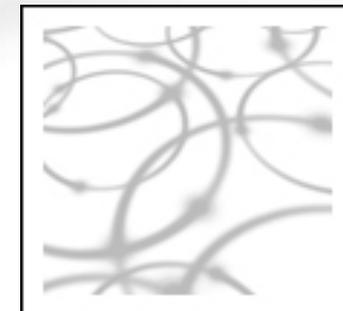
7 Gas days ahead – Weekend,
BoW & WDNW strips
06:00 – 17:30 Mon-Fri

1,000 Therms/day
Minimum 4 lots

0.01p/Therm

Gas flow day (D)

Physical obligation at deliver
APX Gas AT-Link and
counter nomination



[SARSNP](#)

Deal		OCM Market (p/Therm)				History					
Hub	Term	+	Bid Qty	Bid Price	Offer Price	Offer Qty	Last	Change	WAP	#	Energy Traded
NBP Title	04 Feb	+	100,000	26.90	27.00	100,000	26.95	-0.004	27.30	19	2,003,000
			2,930,710.0	0.9148	0.9213	2,930,710.0	0.9196	-0.0003	0.9342	19	50,702,121.3

[APX Gas Index](#)

Deal		NBP Market (p/Therm)				History						
Hub	Term	+	Bid Qty	Bid Price	Offer Price	Offer Qty	Last	Change	WAP	#	Traded (mn th)	
											Today	History

[APX Gas Index](#)

Deal		ZEE DA Market (p/Therm) 11:22 LET				History						
Hub	Term	+	Bid Qty	Bid Price	Offer Price	Offer Qty	Last	Change	WAP	#	Traded (mn th)	
											Today	History

[APX Gas Index](#)

Deal		TTF DA Market (Euro/MWh) 11:22 LET				History						
Hub	Term	+	Bid Qty	Bid Price	Offer Price	Offer Qty	Last	Change	WAP	#	Traded (GWh)	
											Today	History
TTF-HI	07 Feb	+	30	13.600	13.650	30						
				24,567.43	27.861	27.963	24,567.43					
TTF-HI	05 Feb 05 - 06 Feb 05	+	30	13.350	13.650	30						
				24,567.43	27.348	27.963	24,567.43					
TTF-HI	07 Feb 05 - 11 Feb 05	+	60	13.550	13.750	30						
				49,134.86	27.758	28.168	24,567.43					
TTF-G+	07 Feb		30	13.450	13.700	30						
				24,567.43	27.553	28.065	24,567.43					



Deal		OCM Market (p/Therm)				History				
Hub	Term	Bid Qty	Bid Price	Offer Price	Offer Qty	Last	Change	WAP	#	Energy Traded
NBP Title	04 Feb	100,000	26.90	27.10	100,000	27.00	0.05	27.36	20	2,103,000
		2,930,710.0	0.9179	0.9247	2,930,710.0	0.9213	0.0017	0.9336	20	61,632,831.3

OCM : NBP Title : 04 Feb

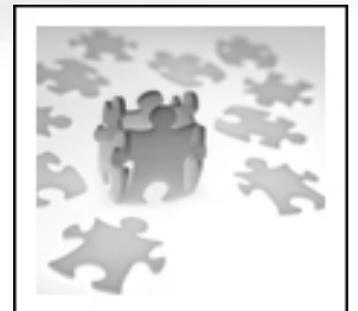
Bid (to buy)							Offer (to sell)						
Hub	Price (p/Therm)	Price (p/kWh)	Quantity (Therm/Day)	Quantity (kWh/Day)	Lead Time	Day	Hub	Price (p/Therm)	Price (p/kWh)	Quantity (Therm/Day)	Quantity (kWh/Day)	Lead Time	Day
NBP Title	26.90	0.9179	100,000	2,930,710.0	0		NBP Title	27.10	0.9247	100,000	2,930,710.0	0	
NBP Title	26.85	0.9162	50,000	1,465,355.0	0		NBP Title	27.20	0.9281	100,000	2,930,710.0	0	
NBP Title	26.80	0.9145	100,000	2,930,710.0	0		NBP Title	27.45	0.9366	50,000	1,465,355.0	0	
NBP Title	26.05	0.8889	50,000	1,465,355.0	0		NBP Title	27.50	0.9383	50,000	1,465,355.0	0	
NBP Title	25.96	0.8858	100,000	2,930,710.0	0		NBP Title	27.64	0.9431	50,000	1,465,355.0	0	
NBP Title	25.80	0.8803	100,000	2,930,710.0	0		NBP Title	27.75	0.9469	50,000	1,465,355.0	0	
NBP Title	25.51	0.8704	100,000	2,930,710.0	0		NBP Title	28.00	0.9554	100,000	2,930,710.0	0	
NBP Title	20.05	0.6841	200,000	5,861,420.0	0		NBP Title	28.00	0.9554	75,000	2,198,032.5	0	
NBP Title	20.00	0.6824	200,000	5,861,420.0	0		NBP Title	28.44	0.9704	100,000	2,930,710.0	0	

Close

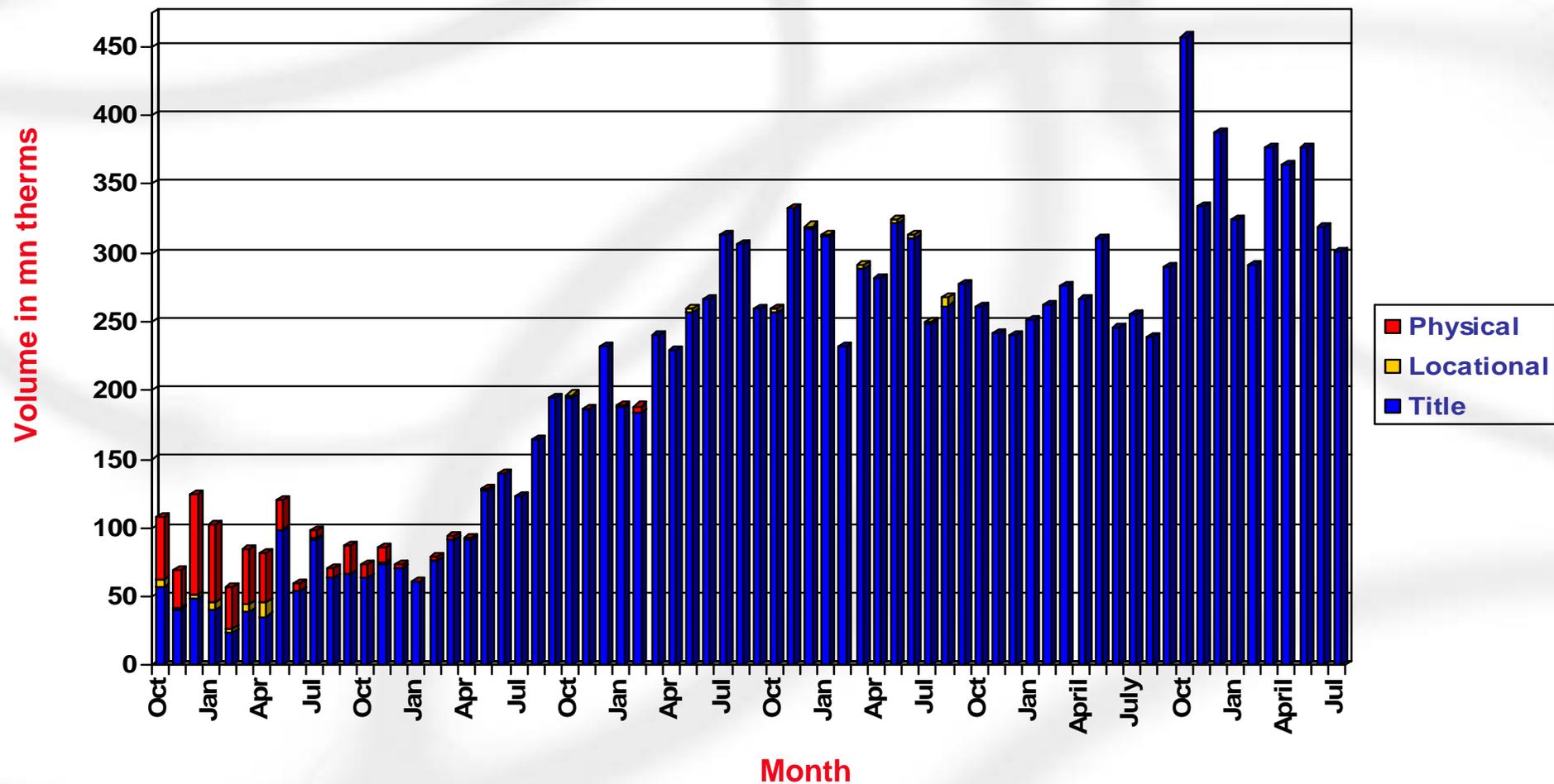
Java Applet Window

TTF-G+	07 Feb	30	13.450	13.700	30
		24,567.43	27.553	28.065	24,567.43

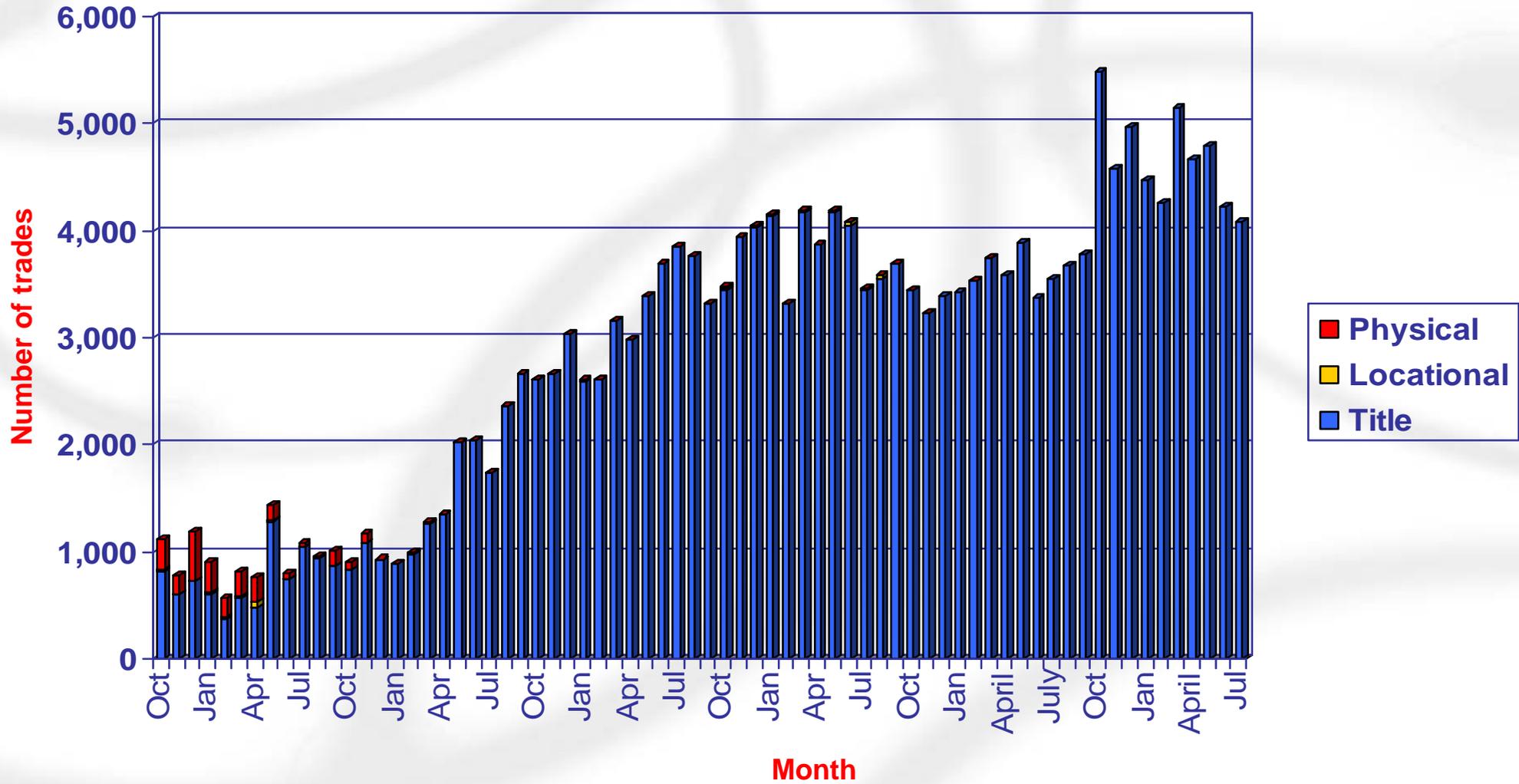
OCM Trade History



Total OCM Volumes Traded per Month Showing Individual Market Totals from October 1999 to Jul 2005



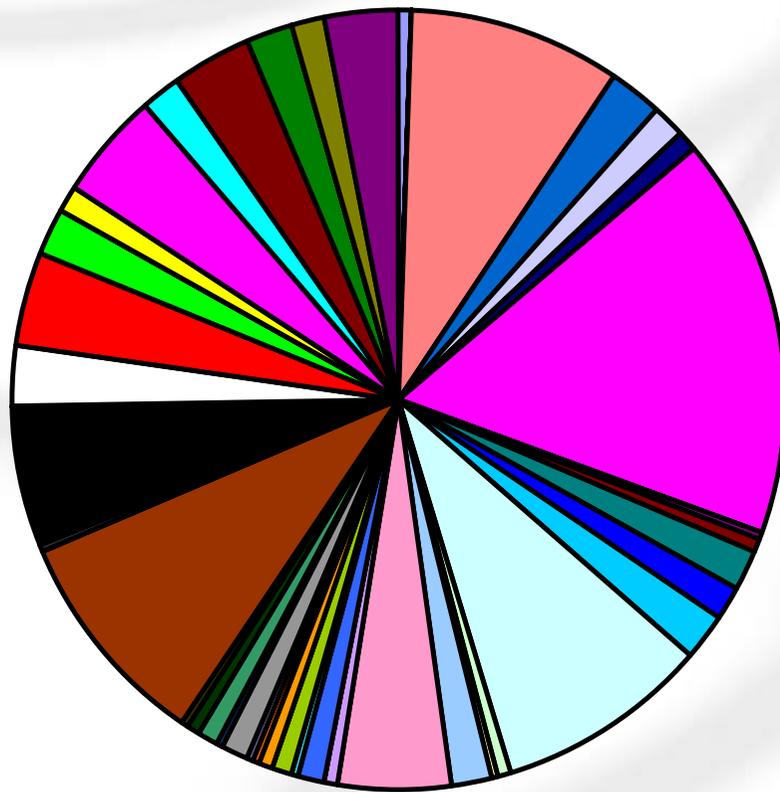
OCM Trades per Month October 1999 to Jul 2005



Volumes traded by Subscriber All Markets March 2005

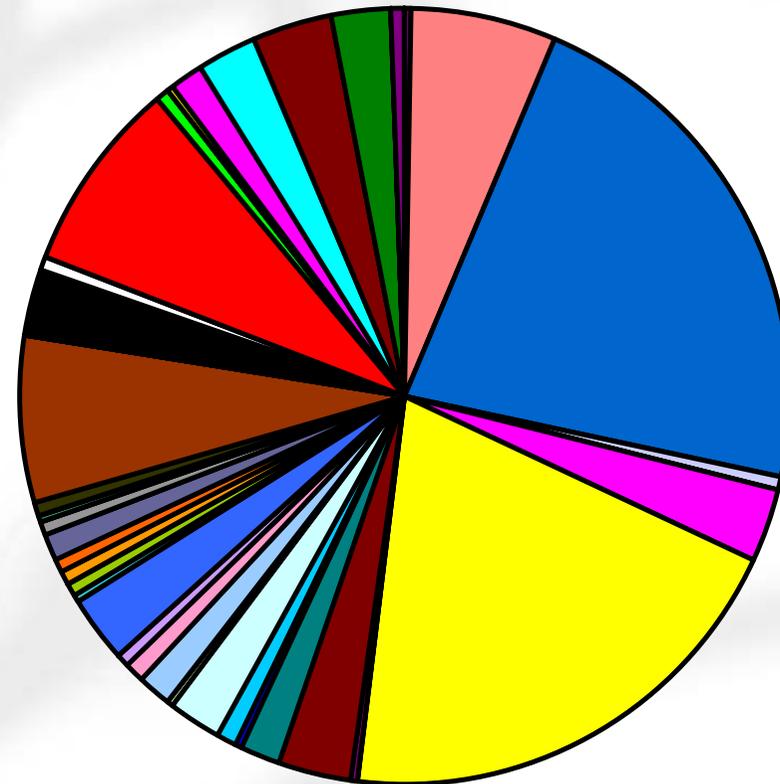


Buy



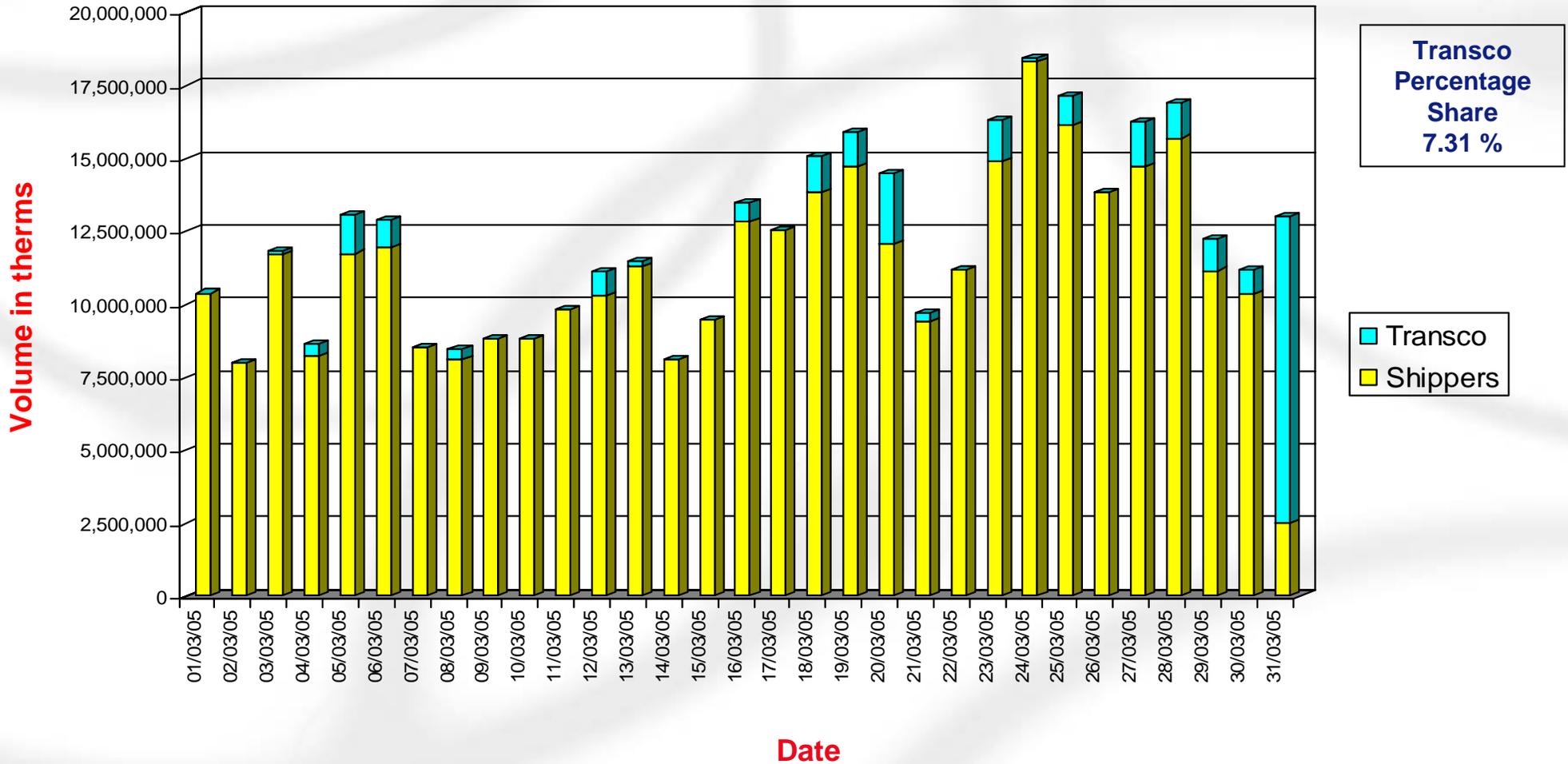
48 Participants

Sell

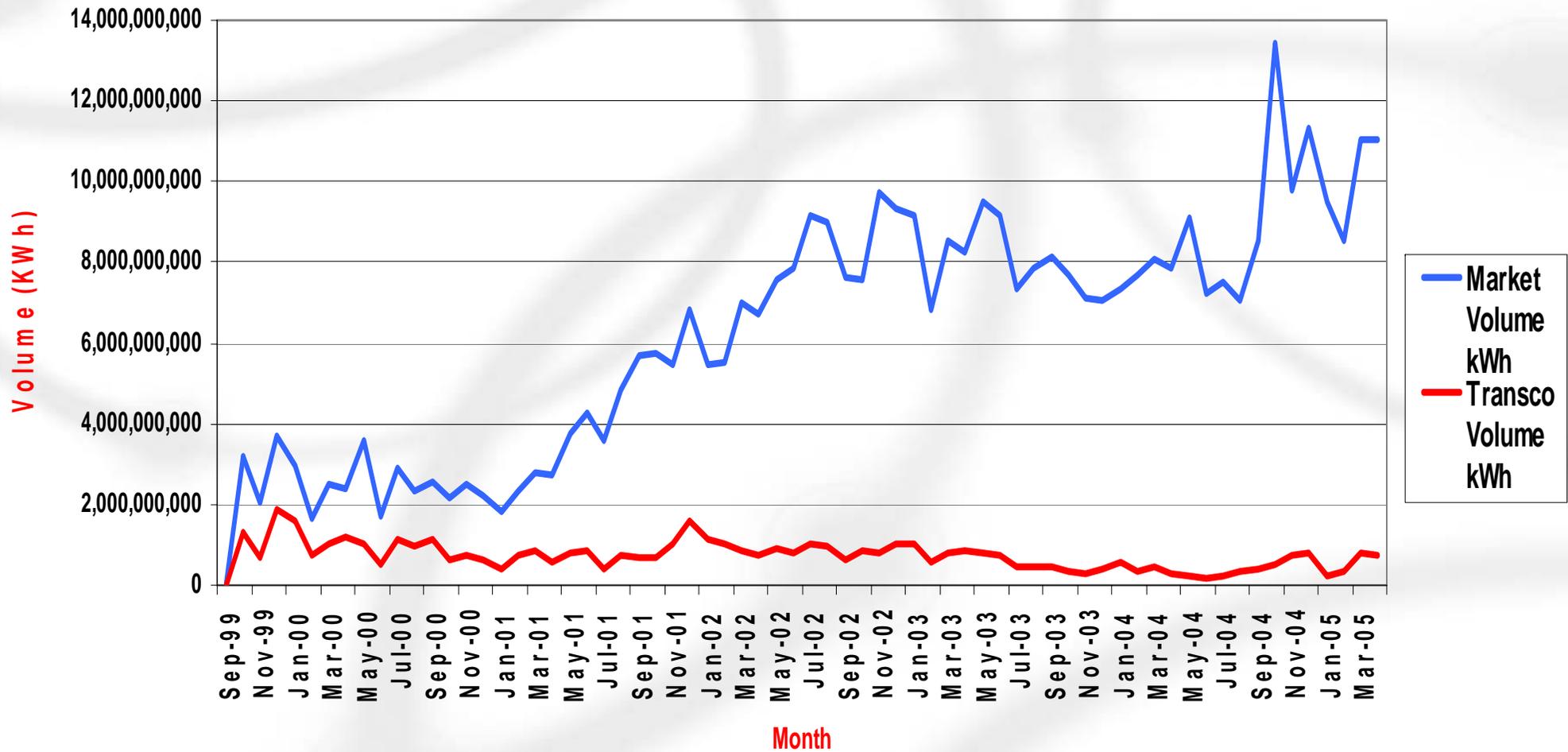


48 Participants

March 2005 Volumes – Transco Share



Transco Volume of Total OCM Market October 99 - May 05

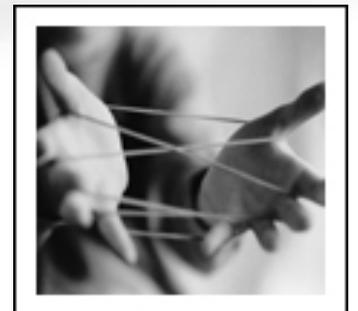


APX Gas Data



- With APX Gas matching in excess of 4,000 trades per month providing a unique and valuable source of market data.
- APX Gas makes daily and month trade data available to the market via media outlets.
- A variety of data products are available:
 - View-Only access to the EnEx system – for a fixed fee
 - Bespoke historical data – variable fees depending on requirement

Fee Structure



Pricing Structure

- **Subscription Fee:** £1,000/month for 1 concurrent user.
Reduced by decreasing increments for multiple users: (2 = £1,800, 3= £2,400, 4= £2,800, 5 = £3,000)
- **Transaction fee:**

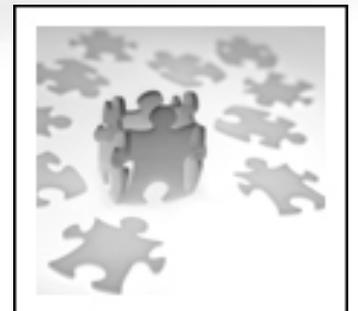
Within Office Hours (06:00 – 17:30)	
< 10 mn therms/mth	0.004p/th
> 10 mn therms/mth	0
Outside Office Hours	
< 20 mn therms/mth	0.002p/th
> 20 mn therms/mth	0.004p/th

Credit Arrangements

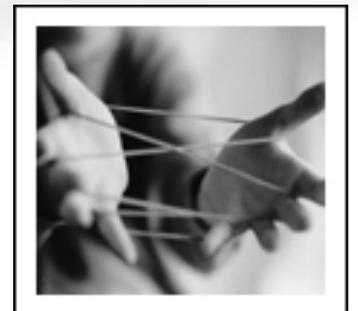


Credit Arrangements

- New Members need to be Credit Rated AA or above
- Accepted forms of Credit :- Cash or Letter of Credit



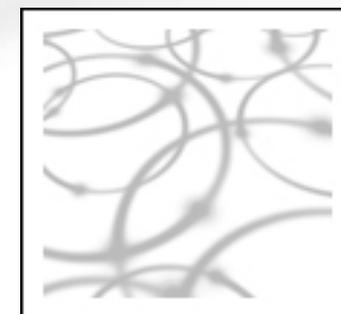
Next Steps – How to join



How to Join APX Gas



- Sign OCM and/or NBP rulebooks, to become View Only Member
- You will then be allocated Username and Passwords, to allow you to access website
- When credit received, your access rights will be changed immediately, to allow you to trade



A VITAL LINK IN ENERGY TRADING

