

The Joint Office, Relevant
Gas Transporters, shippers and other
interested parties

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Dear Colleague

Re: Consultation on “The Entry Capacity Transfer and Trade Methodology Statement”.

Special Condition C8D of National Grid Gas plc’s (“National Grid”) Gas Transporter License in respect of the NTS (the “License”) sets out obligations to prepare and submit for approval by the Authority entry capacity transfer and entry capacity trade methodology statements setting out the methodologies that National Grid will use to facilitate entry capacity transfers and entry capacity trades. National Grid considers that it is appropriate to prepare a single document (the “Methodology Statement”) to meet these obligations.

National Grid is further obliged to review the Methodology Statement at least once a year in consultation with relevant Shippers and interested parties. As presented at the Transmission Workstream meeting on 4th March 2010 National Grid believes that the entry capacity transfer and trade methodology has been working successfully. Hence, having reviewed the Methodology Statement, National Grid is proposing no changes, apart from some general date related updates. This letter therefore provides notice of the proposed Entry Capacity Transfer and Trade Methodology Statement and invites views on the proposal.

In accordance with the License, National Grid produce an annual report on the application and implementation of the entry capacity transfer and trade methodology during the previous formula year. It is expected that National Grid will be issuing this report to Ofgem on or about the 10th May 2010. It will be made available on the National Grid website on the same day.

A copy of the proposed Methodology Statement (v3.1) and a comparison to the current version (v3.0) accompanies this letter and should be read in conjunction with the relevant sections of UNC.

Responses to this consultation should arrive at National Grid no later than 17:00 on 25th May 2010. They should be sent by e-mail to:
box.transmissioncapacityandcharging@uk.ngrid.com.

Please copy to lesley.ramsey@uk.ngrid.com and request a “read receipt” to confirm delivery.

Alternatively they can be sent by post to the above address marked for the attention of:
“Lesley Ramsey
UKT Commercial – Floor B3”

Yours sincerely
Lesley Ramsey