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Wednesday 2nd January 2013

Dear Colleague

Rolling Monthly Transfer and Trade of System Entry Capacity

Invitation to participate in the Rolling Monthly (Trade Initiation) Surrender Process (RMTISSEC) for Capacity period February 2013

Pursuant to TPD Section B2.3.3 of the Uniform Network Code, National Grid Gas plc invites you to take part in the rolling monthly trade initiation process for the surrender of capacity for February 2013.

The Surrender process will be conducted within Gemini in accordance with the Transfer and Trading Surrender Tender Rules (Terms and Conditions). For your convenience a copy of the Terms and Conditions are attached to this letter in Appendix B. The Terms and Conditions must be accepted within Gemini before rolling monthly surrender offers can be made.

National Grid NTS will conduct the surrender process on the following date:

Friday 4th January 2013

The surrender window will commence at 08:00 and close at 17:00 on the same calendar day. A rolling monthly surrender offer may be withdrawn or amended until, but not after, 17:00 on that day. Users may submit up to a maximum of two rolling monthly surrender offers per ASEP.

Users are invited to submit Surrender offers in kWh/day (but not for a quantity less than 100,000 kWh/day) up to an aggregate amount not exceeding their Firm NTS Entry Capacity entitlement at the ASEP for the capacity month of **February 2013**, and each surrender offer should specify the minimum price (rolling monthly Surrender price) the User wishes to be paid in respect of the surrender of Firm NTS Entry Capacity at the ASEP. For reference the reserve prices for the RMTNTSEC auction are attached in appendix A.

The Tender will be conducted in Gemini and Surrender offers should be made using the **Deal>Capture>Create Bids** screen and selecting **RMTISSEC** as the Method of Sale. If you wish to check your entitlements prior to submitting a surrender offer you should navigate to **Home > Product > Entitlements - Net > Query**

Rolling monthly Surrender offers will be accepted or rejected after the RMTNTSEC auction bid window has closed. National Grid NTS may accept all or part of any surrender amount and Users will be informed of the quantity of any Surrender Amount that has been allocated following completion of the Rolling Monthly Transfer & Trade System Entry Capacity ("RMTNTSEC") process.

National Grid NTS will issue an invitation to participate in the RMTNTSEC auction not less than five (5) business days in advance of the auction date.

Please note that this message is being sent by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list). An Automated Notification Service (ANS) message will also be issued informing users that the invitation has been published.

If you have any queries regarding this auction process please contact Helen Bennett or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the capacity team regarding any capacity issues at capacityauctions@nationalgrid.com

Yours sincerely,

Bradley Charles
Network Operations
National Grid

Appendix A

Table 1 – Reserve Prices for Rolling Monthly Transfer & Trade System Entry Capacity (p/kWh/d)

ASEP	Short Code	p/kWh
Avonmouth LNG	AV	0.0001
Bacton	BA	0.0081
Burton Point	BP	0.0001
Barrow	BR	0.0002
Barton Stacey	BS	0.0001
Cheshire	CH	0.0001
Caythorpe	CT	0.0118
Dynevor Arms LNG	DA	0.0071
Easington	EA	0.0107
Fleetwood	FL	0.0019
Glenmavis LNG	GM	0.0123
Garton	GR	0.0109
Hole House Farm	HH	0.0001
Hatfield Moor Onshore	HM	0.0032
Hornsea	HS	0.0110
Hatfield Moor Storage	HT	0.0032
Isle of Grain	IG	0.0001
Milford Haven	MH	0.0193
Partington LNG	PR	0.0001
St. Fergus	SF	0.0410
Teesside	TE	0.0074
Theddlethorpe	TH	0.0106
Wytch Farm	WF	0.0001