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Bob

I refer to the following actions as detailed within the minutes of the last meeting of Review Group 0252:

**Action RG0252 0009:** National Grid (PL) to establish what the reference to National Grid NTS and National Grid PLC being construed as a single Transporters is designed for.

Matters relating to the credit arrangements (including the provision of security by one party to another) must necessarily operate on a 'per UNC signatory' basis.

Prior and subsequent to the sale of a number of its distribution networks in 2005, National Grid Gas plc (formerly Transco plc) has remained as a single party signatory to the Network Code and subsequently the Uniform Network Code. Therefore, at the time of the sale in 2005, V3.1.5(b) (now V3.1.2 (b)) was introduced for the purpose of ensuring that this principle was clear in respect of its credit arrangements.

One aspect of this is that it enables a User to provide a single form of security to effectively address Code Credit Limit Requirements for National Grid Gas – Transmission and Distribution in aggregate.

Notwithstanding the requirements highlighted above, for more operational aspects of the UNC it is entirely practicable for National Grid Transmission and National Grid Distribution to be treated as two distinct Transporters. This is particularly appropriate in respect of the Offtake Arrangements Document and other relevant provisions within the Transportation Principal Document where distinct obligations apply in respect of Distribution Network Operators and the Transmission System Operator.

Regards

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