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Dear Colleague

Rolling Monthly Transfer & Trade System Entry Capacity

Invitation to participate in auction for capacity period December 2008

Pursuant to TPD Section B2.3.10 of the Uniform Network Code, National Grid Gas plc invites you to take part in the Rolling Monthly Transfer & Trade System Entry Capacity (RMTTSEC) auction for the capacity period December 2008.

National Grid will conduct the auction on:

3rd November 2008

The auction window will commence at 08:00 and close at 17:00 on the same calendar day. An RMTTSEC bid may be withdrawn or amended until, but not after 17:00.

The auction on this date will be held to allocate capacity for the following Capacity period:

December 2008

The amount of capacity to be offered for each Aggregate System Entry Point (ASEP) will be 100% of the unsold NTS Obligated Firm Entry Capacity plus any Firm Entry Capacity surrendered in the Surrender (Trade Initiation) process. This total capacity is termed the Available Capacity. The ASEPs where Available Capacity is to be offered, together with the unsold NTS Obligated Firm Entry Capacity for those ASEPs, are shown in the attached Tables 2 and 3. The Initial Stage and Trade and Transfer stage of the auction are both pay as bid and the reserve prices that apply are specified in Table 4. Any unsatisfied bids after allocation of the Initial Stage (i.e. where bid quantity exceeds Available Capacity) will be analysed as part of the Transfer and Trade stage and allocations will be carried out subject to the relevant provisions of TPD Section B2.3 and the Entry Capacity Trade and Transfer Methodology Statement.

User allocations for the whole process (for the avoidance of doubt this includes the Initial Stage and the Transfer and Trade Stage) will be communicated no later than 3 business days prior to the last business day of November 2008.

Following RMTTSEC capacity allocation National Grid NTS will publish the aggregate information for each ASEP on the Capacity Auctions area of the National Grid Gas website under the **RMSEC link**. This can be accessed using the following link:

www.nationalgrid.com/uk/Gas/Data/CA/

The RMTTSEC auction will be conducted in Gemini and any bids for NTS Firm Entry Capacity should be made using the **Deal>Capture>Create Bids** screen. Please be aware that if you wish to check your allocations from the February 2008 AMSEC auction prior to bidding in the RMTTSEC auction you should navigate to the following screen **Deal>Bid Capture Reports>Bid Information** screen in Gemini.

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 the RMTTSEC auction please contact Dave Wagstaff on +44 (0)1926 65 4045, Kay Haycock +44 (0) 1926 65 5342 or myself on +44 (0)1926 65 4071. Alternatively you can e-mail the capacity team regarding any long term capacity issues at capacityauctions@uk.ngrid.com

If you have any queries pertaining to the Daily Auctions, please contact Sarah Magee on +44 (0)1926 654 055.

Yours sincerely

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TABLES

**Table 1 - Aggregate Rolling Transfer & Trade Monthly System Entry Capacity (kWh/d)
(Unallocated and Surrendered NTS Firm Entry Capacity)**

	Aggregate Available Capacity
December 2008	2,603,756,130

**Table 2 - Rolling Monthly Transfer & Trade System Entry Capacity (kWh/d)
(Unsold Obligated NTS Firm Entry Capacity)**

ASEP	Short Code	December 2008
Avonmouth LNG	AV	177,300,000
Bacton	BA	600,362,000
Burton Point	BP	13,875,000
Barrow	BR	61,264,444
Barton Stacey	BS	67,600,000
Cheshire	CH	256,600,000
Dynevor Arms LNG	DA	41,400,000
Easington	EA	3
Glenmavis LNG	GM	97,000,000
Garton	GR	2
Hole House Farm	HH	47,445,316
Hatfield Moor Onshore	HM	60,000
Hornsea	HS	10,900,000
Hatfield Moor Storage	HT	7,169,290
Isle of Grain	IG	43,600,000
Milford Haven	MH	0
Partington LNG	PR	213,000,000
St. Fergus	SF	320,407,338
Teesside	TE	115,196,020
Theddlethorpe	TH	55,555,983
Wytch Farm	WF	660,000

**Table 3 - Rolling Monthly Transfer & Trade System Entry Capacity (kWh/d)
(Surrendered NTS Firm Entry Capacity)**

ASEP	Short Code	Surrendered Qty greater than Reserve Price	Surrendered Qty equal to Reserve Price	Surrendered Qty less than Reserve Price	Total Surrendered Quantity
Bacton	BA		8,200,000		8,200,000
Barrow	BR	20,940,000			20,940,000
Easington	EA			4,396,065	4,396,065
Hole House Farm	HH	23,445,680			23,445,680
Hornsea	HS			28,127,840	28,127,840
Hatfield Moor Storage	HT	11,920,000			11,920,000
St. Fergus	SF		2,000,000		2,000,000
Teesside	TE	11,699,453	11,699,453		23,398,906
Theddlethorpe	TH		6,488,889	345,443,354	351,932,243

Table 4 - 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	0.0072
Burton Point	BP	0.0001
Barrow	BR	0.0066
Barton Stacey	BS	0.0001
Cheshire	CH	0.0001
Dynevor Arms LNG	DA	0.0001
Easington	EA	0.0086
Glenmavis LNG	GM	0.0173
Garton	GR	0.0091
Hole House Farm	HH	0.0001
Hatfield Moor Onshore	HM	0.0027
Hornsea	HS	0.0088
Hatfield Moor Storage	HT	0.0027
Isle of Grain	IG	0.0001
Milford Haven	MH	0.0181
Partington LNG	PR	0.0001
St. Fergus	SF	0.0367
Teesside	TE	0.0082
Theddlethorpe	TH	0.0074
Wytch Farm	WF	0.0001