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17 April 2008

Dear Nienke,

Indicative Notice of Revised NTS Entry Capacity Reserve and Step Prices

The Uniform Network Code (UNC) requires that annual auctions for QSEC be held every September. Consistent with our licence obligations, National Grid NTS is hereby giving 150 days notice of changes to the Entry Capacity Reserve and Step Prices to be used within the next Quarterly System Entry Capacity (QSEC) Auction.

Step prices will be recalculated in accordance with the methodology set out in the latest approved Incremental Entry Capacity Release (IECR) Methodology Statement. The IECR will be subject to an annual review and, in accordance with our licence obligations, shippers shall be consulted on any changes. We anticipate the consultation will start in May.

Notice of the exact reserve and step prices to apply will be given two months in advance of the QSEC auction, which is currently planned for September 2008.

If you have any questions about this Indicative Notice please contact myself or Karin Elmhirst on 01926 655540 or email Karin.elmhirst@uk.ngrid.com.

Yours sincerely,

Nigel Fox
Charging and Revenue Manager
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