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Dear Colleague

Discretionary Release of System Entry Capacity

Pursuant to TPD Section B2.1.14 of the Uniform Network Code, National Grid National Transmission System (NTS) is entitled to invite applications for NTS Entry Capacity. The purpose of this letter is to inform you that a request has been received from a third party to participate in a Discretionary Release of System Entry Capacity ("DRSEC") auction in respect of the release of Discretionary System Entry Capacity for the Winter 2009/2010 period at the Isle of Grain ASEP.

National Grid NTS is currently considering this request and would like to take this opportunity to remind Users that there is a process by which requests can be submitted to National Grid. Further information on the process for DRSEC requests and the relevant Long Term DRSEC Auction Request Form can be found on the National Grid website via www.nationalgrid.com/uk/Gas/Data/CA/

Any further Request Forms submitted to National Grid NTS at capacityauctions@uk.ngrid.com prior to **12:00** hours on **Wednesday 8th July 2009** will be considered in conjunction with the current request for the Winter 2009/2010 period.

If National Grid NTS determines in its sole discretion to hold a DRSEC auction **a formal invitation letter will be published** by e-mail via the Joint Office of Gas Transporters and web-fax (business hours operational list) no later than Monday 20th July 2009. An Automated Notification Service (ANS) message will also be issued informing users that an invitation letter has been published.

Should a DRSEC auction be held in response to the request at the Isle of Grain ASEP, initial analysis by National Grid NTS has estimated that an additional 70GWh/day may be made available. Please note that any quantities of Discretionary System Entry Capacity that may be released are entirely at the discretion of National Grid NTS and will depend on the quantity of Discretionary System Entry Capacity bids received across all participating ASEPs and reviewed in conjunction with a National Grid NTS assessment of the appropriate risk and reward balance.

For the avoidance of doubt this quantity should be considered at this stage as a guidance only and any actual quantities allocated could be of a greater or lesser value and may be influenced by the number and location of any additional participating ASEPs. Additional information will be provided should National Grid NTS issue a formal invitation letter.

If you have any queries regarding the DRSEC auction process please contact Diana Dai or myself on +44 (0)1926 65 4057. Alternatively you can e-mail the Capacity Team regarding any Long Term Entry Capacity issues at capacityauctions@uk.ngrid.com.

If you have any queries pertaining to the Daily Entry Auctions, please contact Melissa Albray on +44 (0)1926 65 3608 or Navraj Dosanjh on +44 (0)1926 65 4180.

Yours sincerely

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