

27 September 2006

Dear Colleague,

Early Closure of Annual Invitation to Participate in Auction  
of Quarterly System Entry Capacity

In accordance with paragraph B2.2.19 of the UNC, National Grid plc has closed the Annual Invitation for Quarterly System Entry Capacity early. This has occurred because the Stability Groups (as determined in accordance with section B2.2.17 of the UNC) that changed between the sixth Interim Bid Window held on Monday 25<sup>th</sup> September and the Seventh Interim Bid Window held on Tuesday 26<sup>th</sup> September were four or less.

The final allocation will be determined by application of the tests described in National Grid plc's Incremental Entry Capacity Release (IECR) statement.

National Grid plc will inform Users of their QSEC capacity allocation within Gemini (via the bid information screen) no later than two calendar months after the last annual invitation date and therefore, at the latest by 25 November 2006

The following information will be published by National Grid plc within Gemini (via the MoS reports) and also on the National Grid web site not later than one calendar day after informing Users of their QSEC capacity allocation and therefore, by 26 November 2006.

For each ASEP and each relevant period;

- Volume of Baseline, Obligated Incremental and Non-Obligated Incremental capacity allocated
- Revenue from sales of Baseline, Obligated Incremental and Non-Obligated Incremental capacity
- Amount of unallocated Baseline Capacity
- Clearing Price (This will be the same as the highest, lowest and weighted average prices)
- The number of Users who submitted successful capacity bids
- The number of Users who submitted unsuccessful capacity bids

- Where there is an allocation of QSEC in a period - number of Users who submitted bids at each price level

Please note that this message is being sent by E-Mail (Joint Office distribution list) and fax (business hours operational list).

If you have any queries about the auction process then please contact me on 01926 6534071, Hannah Morgan on 01926 653 444, or Bea Ennim on 01926 653 448

Yours sincerely

Chris Gumbley  
Commercial Officer