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30 June 2011

Dear Hannah,

Notice of MSEC and DSEC Reserve Prices for Capacity used from 1 October 2011

National Grid is publishing this notice of revised system entry capacity reserve prices two months in advance of the Rolling Monthly Trade & Transfer System Entry Capacity (RMTNTSEC) auction of system entry capacity, consistent with our Licence and Uniform Network Code obligations.

The changes to Monthly System Entry Capacity (MSEC) and Daily System Entry Capacity (DSEC) prices are shown in the attachment to this notice, with the new prices shown in bold. We have also updated Table 3 of the NTS Gas Transportation Charges Statement dated 1 April 2011. The full updated Statement can be found on our website at: <http://www.nationalgrid.com/uk/Gas/Charges/statements/>

It should be noted that the system entry capacity (RMTNTSEC and DSEC) purchased during September 2011 for use from 1 October 2011 will be subject to the appropriate revised reserve prices. The revised prices have been calculated using the Transportation model which has been updated to reflect changes in demand levels, the pipeline network, supply patterns, obligated entry capacity levels and the cost of investment through the expansion constant, all of which may affect the charges. All prices have been calculated using the maximum available quantity of obligated NTS SO Baseline entry capacity levels as specified in the NTS Licence.

These changes will be discussed in more detail at the July NTS Charging Methodology Forum (NTSCMF). A more detailed description of the changes will shortly be available on our website¹ and a copy of National Grid's Transportation model will be sent out to parties that have signed the licence agreement. Details of how to obtain the model and other supporting charge setting information can also be found on our website in the same area.

The notice of actual exit capacity and commodity charges that shall apply from 1 October 2011 will be published by 1 August 2011, in line with the two months notice required by our licence and Network Code obligations. Entry prices for future gas years used in the Annual Monthly System Entry Capacity (AMSEC) and Quarterly

¹ <http://www.nationalgrid.com/uk/Gas/Charges/Tools/>

System Entry Capacity (QSEC) auctions will be published by 1 August 2011 and in January 2012, respectively.

If you have any questions relating to this notice, or NTS charges in general, please contact myself or the Charging and Revenue Team on 01926-654633.

Yours Sincerely,

Anne Bennett
Charging & Revenue Manager

Table 3 Entry Capacity Reserve Prices for Capacity for use from 1 October 2010

MSEC Reserve Prices, Pence per kWh per day

Entry Point	from 1 Oct 10 to 30 Sep 11	from 1 Oct 11 to 30 Sep 12	Change
Coastal Terminals & LNG Importation			
Bacton	0.0091	0.0098	0.0007
Barrow	0.0061	0.0001	-0.0060
Easington&Rough	0.0115	0.0123	0.0008
Isle of Grain	0.0032	0.0020	-0.0012
Milford Haven	0.0207	0.0215	0.0008
St Fergus	0.0402	0.0399	-0.0003
Teesside	0.0100	0.0086	-0.0014
Theddlethorpe	0.0107	0.0118	0.0011
Onshore Fields and Connections			
Burton Point	0.0001	0.0001	0.0000
Hatfield Moor	0.0047	0.0050	0.0003
Hole House Farm	0.0001	0.0001	0.0000
Wytch Farm	0.0001	0.0001	0.0000
Storage			
Barton Stacey	0.0001	0.0001	0.0000
Caythorpe	0.0071	0.0115	0.0044
Cheshire	0.0001	0.0001	0.0000
Fleetwood	0.0036	0.0036	0.0000
Garton	0.0109	0.0134	0.0025
Glenmavis	0.0172	0.0124	-0.0048
Hatfield Moor	0.0047	0.0050	0.0003
Hornsea	0.0110	0.0109	-0.0001
Partington	0.0001	0.0001	0.0000
Constrained LNG			
Avonmouth	0.0001	0.0001	0.0000
Dynevor Arms	0.0001	0.0001	0.0000

Table 3 continued

Entry Point	DSEC		
	from 1 Oct 10 to 30 Sep 11	from 1 Oct 11 to 30 Sep 12	Change
Coastal Terminals & LNG Importation			
Bacton	0.0061	0.0065	0.0004
Barrow	0.0041	0.0001	-0.0040
Easington&Rough	0.0077	0.0082	0.0005
Isle of Grain	0.0021	0.0013	-0.0008
Milford Haven	0.0138	0.0143	0.0005
St Fergus	0.0268	0.0266	-0.0002
Teesside	0.0067	0.0057	-0.0010
Theddlethorpe	0.0071	0.0079	0.0008
Onshore Fields and Connections			
Burton Point	0.0001	0.0001	0.0000
Hatfield Moor	0.0031	0.0033	0.0002
Hole House Farm	0.0001	0.0001	0.0000
Wytch Farm	0.0001	0.0001	0.0000
Storage			
Barton Stacey	0.0001	0.0001	0.0000
Caythorpe	0.0047	0.0077	0.0030
Cheshire	0.0001	0.0001	0.0000
Fleetwood	0.0024	0.0024	0.0000
Garton	0.0073	0.0089	0.0016
Glenmavis	0.0115	0.0083	-0.0032
Hatfield Moor	0.0031	0.0033	0.0002
Hornsea	0.0073	0.0073	0.0000
Partington	0.0001	0.0001	0.0000
Constrained LNG			
Avonmouth	0.0001	0.0001	0.0000
Dynevor Arms	0.0001	0.0001	0.0000