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*Promoting choice and value for
all gas and electricity customers*

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Date: 2 March 2010

Dear Ritchard

Agency Charging Statement (ACS) amendment for UNC276: Alternative User Pays approach to enabling the assignment of Partial Quantity of Registered NTS Exit (Flat) Capacity

National Grid Gas (NGG) submitted a draft ACS and draft ACS review report in relation to UNC Modification Proposal 276 on the 2 February 2010. We have considered the changes proposed to the ACS to facilitate the implementation of UNC276.

We have approved UNC276 as the partial assignment of NTS exit (flat) capacity between exit users will reduce the risk of capacity sterilisation and enhance competition by allowing suppliers to have greater certainty to meet the capacity requirements of their customers.

While we have approved UNC276, we have decided to veto the modification proposed to the ACS. We intend to set out our reasoning for this decision in a letter shortly.

Yours sincerely

Stuart Cook
Senior Partner - Transmission & Governance

Signed on behalf of the Authority and authorised for that purpose.