

20th August 2008

Dear Customer

I am writing to you as one of our major customers to outline some changes we are making to our systems.

In October 2007 we implemented a new SAP billing and accounting system. Thank you to those who provided constructive feedback which resulted in a programme of activity to address the required changes.

This autumn we will be extending the SAP system to replace our back office systems QS & DDD (which are used for processing Domestic Connections and Disconnections requests) and provide our customers with a new website application for self service requests through to Order Acceptance stage.

Website Application

The self service web application will give our customers an opportunity to request and pay for products and services using a simple, intuitive web design.

The key benefits of the web application are:

- Instant self service quotation / validation
- Reduced quotation errors caused through incorrect assumptions
- Immediate self acceptance (using a secure payment method)
- Reduction in process end to end timescales
- Use of system not constrained within normal office hours
- Integrated online support documents

There will be 2 applications available -

1) B2C application (Business to Customer): Designed for our one-off or infrequent single contact customers such as end users.

Individual customers will create a new account using the application and receive an instant log-on ID to progress their request.

2) B2B application (Business to Business): Designed for repeat / business customers.

Provision of licences enabling additional features such as individual job status tracking through all stages of the jobs, visibility of all live jobs by status and the creation of job request templates for regularly used work categories. Nearer the time of go-live we will write to you and provide further information regarding creation and use of the licences.

All quotations self served via the web application will be subject to office validation at the point of acceptance to ensure that key criteria requirements have been met.

Correspondence

The new systems will also mean small changes to our existing correspondence.

All letters produced will be standardised and formatted to improve current layout. Letters currently produced using off-line systems will be incorporated.

The quotation letter will incorporate a pro-forma invoice for our business customers and the one-page terms and conditions for our one-off end user customers.

There will be an option within the system to send all correspondence electronically via email if requested by the customer.

Timescales

The replacement of the existing legacy systems is scheduled to go-live in October (exact dates to be confirmed).

The roll-out strategy will be in two parts:

- 1) Legacy System Replacement – A phased geographical roll-out by LDZ area which will be used by National Grid internally for end to end processing of requests. (This is the point at which you will start to see the new documentation).
- 2) Web Application – Roll-out by business customer following creation of licences and attendance at training or provision of training material / user guides. This will be combined with making available the application to our one-off end users.

Training & Support

The web application has been designed to incorporate online integrated support documents and question based pop up support messages which will ensure that our customers find the application user friendly and easy to use.

We have however produced comprehensive training documentation for our business customers which will be circulated in advance of the introduction of the web application and we will be offering a training open day for our business customers' staff to attend.

You will also receive details of a business customer support help line to assist with any queries you have with regards to the use of the application.

Confirmation of timescales, training and contacts will be communicated as soon as available. If however in the meantime you have any queries please contact Sue Phillips by email: sue.x.phillips@uk.ngrid.com or at the above address.

Yours faithfully,

Paul Holland
Financial Controller, Order to Cash, Shared Services