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Dear Stuart,

NTS Exit Capacity Baseline Statement

National Grid NTS is required under paragraph 4(a) of Special Condition C8E of its Gas Transporter Licence in respect of the NTS (the "licence") to submit to the Authority for approval by 1st April 2009 as directed by the Authority on 29 February 2008 a statement setting out the NTS exit capacity baseline to be offered for sale.

As you are aware the licence is currently subject to a section 23 Notice ("the Notice") (closing date: 31 March 2009) proposing to align the licence with UNC Mod 195AV and amend Table 2 of Annex A of Special Condition C8E. These changes and their successful promulgation into the licence are essential for the implementation of enduring exit reform on 1 April 2009. It is this version of the licence upon which this letter is based.

On 24th February 2009, Ofgem published an open letter giving notice to delay the provision of the exit substitution and baseline revision methodology statements until 4th Jan 2011. Accordingly, exit capacity substitution and baseline revision have not been applied and thus no amendment has been made by National Grid NTS to NTS baseline exit flat capacity values to be offered for sale.

Accordingly, National Grid NTS will make the values specified in Table 2 of Annex A of Special Condition C8E of the licence, as amended from time to time by the Authority, available for sale.

If you require any further information, please contact myself or Peter Zeng on 01926 653425.

Yours sincerely,

Alan Smart
Energy Operations Manager
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National Grid