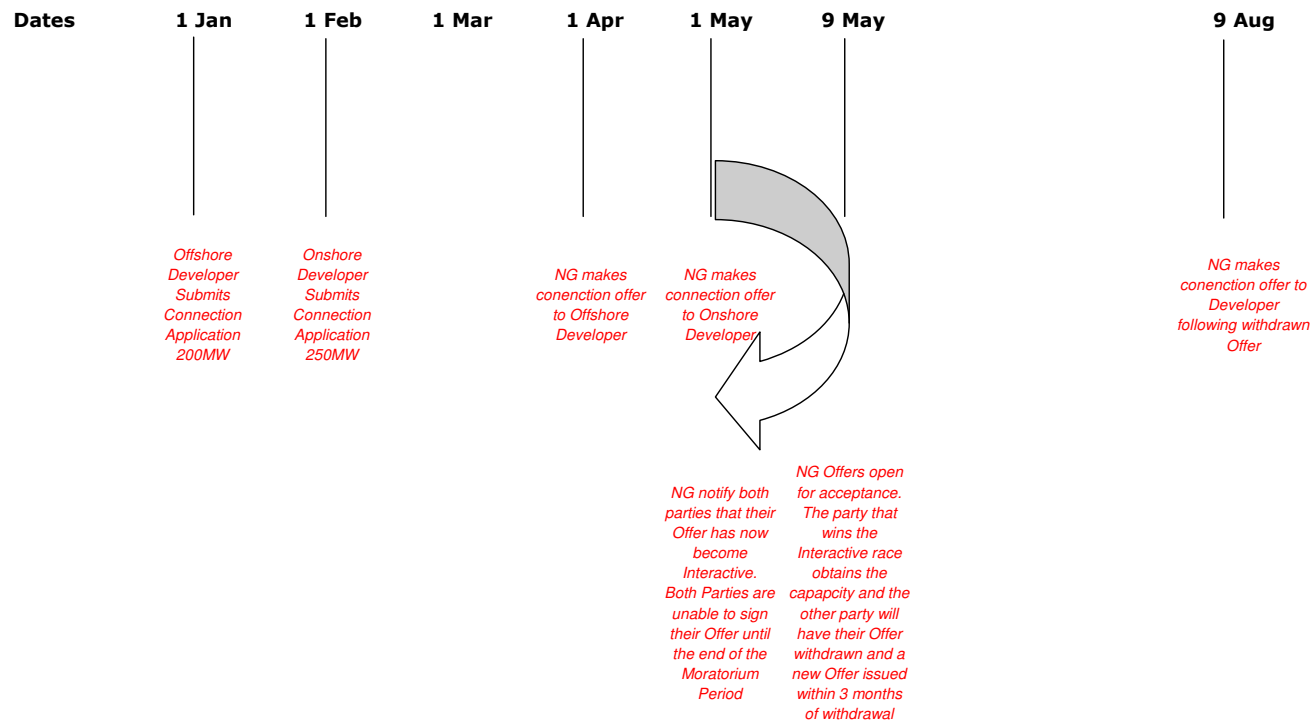


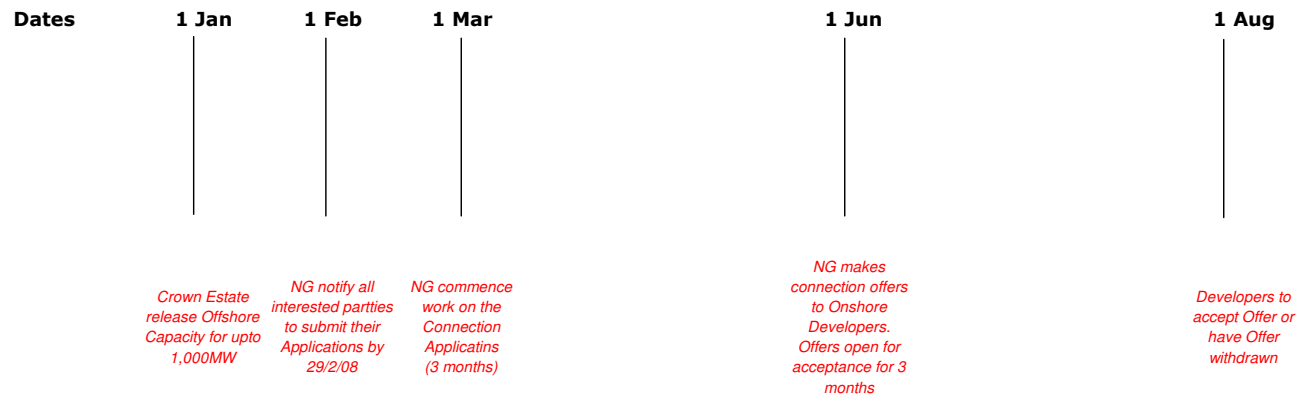
Scenario 1 - Offshore & Onshore Interactive Offers

1. Offshore Developer submits Connection Application 1 January 2008 for 200MW at Connection Point X
2. Onshore Developer submits connection Application 1 February 2008 for 250MW at connection Point X
3. Offshore Developer receives their Connection Offer for Connection Point X on 1 April 2008
4. Connection Point X has a total available capacity of 400MW
5. The Offshore Developer does not sign their Connection Offer by 1 May 2008
6. On 1 May both the Onshore Developer and the Offshore Developer are informed that the Offers are now interactive.
7. Both Developers are unable to have their Offers accepted until the end of the Moratorium Period on 9 May.
8. Whichever Developer wins the Interactive Race obtains the capacity and NG counter signs the Connection Offer
9. The Developer that loses out has their Connection Offer withdrawn and a new Offer is provided within 3 months



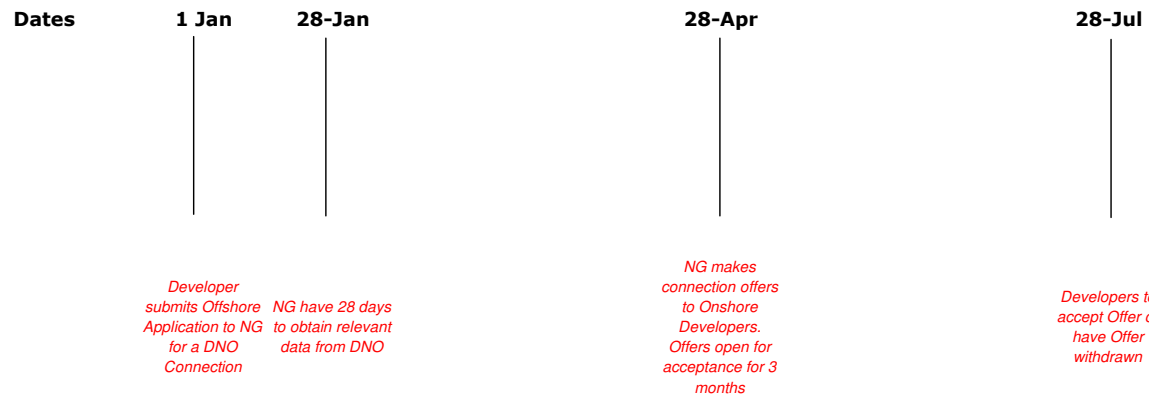
Scenario 2 - Multiple Applications

1. Crown Estate release a block of Offshore capacity for a potential 1,000MW
2. NG receives over a 6 month period 7 Applications for 1,000MW
3. The notification to Ofgem at different periods to commence Expressions of Interest may not be deemed efficient
4. Applications may be received by National Grid prior to Developers obtaining land / sea bed rights with the Crown Estate
5. NG would seek all applicants to submit their Connection Application by a given date to enable economic and efficient planning
6. 1 January 2008 - Crown Estate release 1,000MW of Offshore Capacity
7. 1 February 2008 - NG request all interested parties to submit applications with associated fee by 29th February 2008
8. 1 March 2008 - Based on all the received applications, NG prepare Connections Offers and notifies Ofgem for the EOI
9. 1 June 2008 - NG issue Connection Offers to all applicants
10. 1 August 2008 - Applicants have until this date to accept the Offers.



Scenario 3 - Distribution or Transmission Application

1. Developer submits Offshore Application to National Grid
2. If the Developer seeks a DNO Connection, this will be noted on the application via tick box
3. Where a DNO Connection is requested, National Grid will have an additional 28 days to make an offer
4. The additional 28 days is to allow National Grid to obtain any relevant data from the DNO to make the Connection Offer



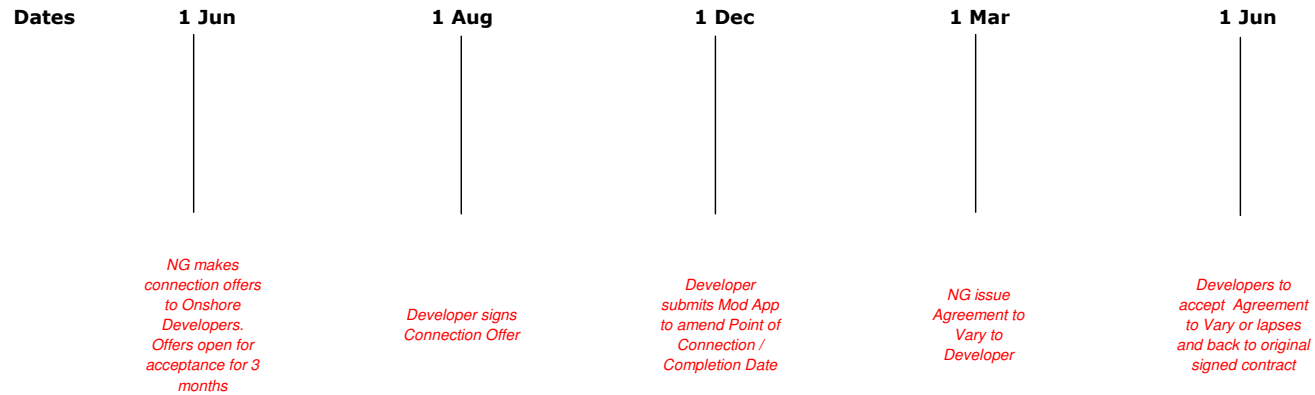
Scenario 4 - Modification Application

1. User receives Offer from National Grid and signs by 1 August
2. Developer submits Modification Application to National Grid
3. Developer has requested a change in the Connection Point (DNO) and Completion Date
4. National Grid prepare Agreement to Vary and issue to the Developer
5. Developer considers the revised agreement and signs or decides to keep original Offer

Issues

How does a Modification Application impact on the tendering process for OFTO?

- Does the tendering process stop until the Modification Application process has completed?
- What happens if the Developer decides not to accept the amended Offer and continue with Contracted position?
- Does the User put financial securities in place to allow works to continue (where requested)?
- At what point during the year does the tender process commence?

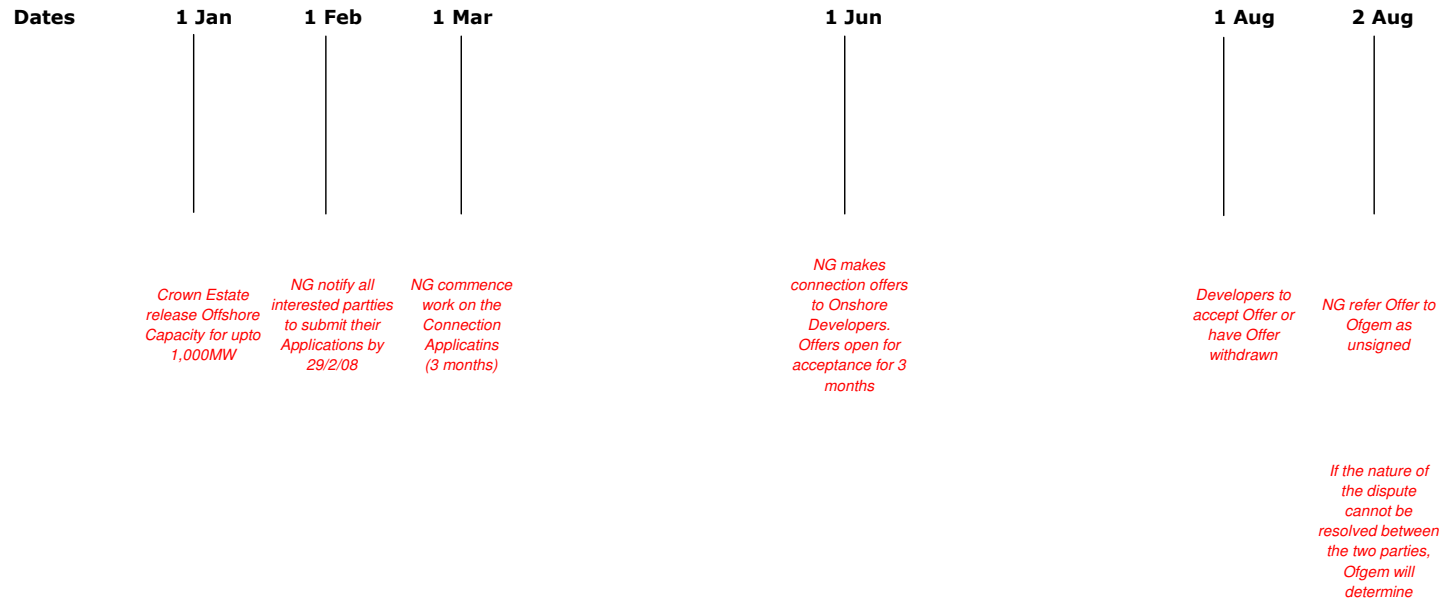


Scenario 5 - Referred Connection Offer

1. User receives Offer from National Grid on 1 Jun
2. Ofgem commence the tendering process for an Offshore TO
3. Developer decides not to sign their Offer from National Grid
4. Following discussions between Developer & National Grid the Offer is referred to Ofgem for determination

Issue

1. How does the referral impact on the tendering process for OFTO?
 - Delay ?
 - Unable to commence tendering process until determination resolved ?
 - CUSC change to allow signing & referral?



*Capacity is held
in the contracted
background until
the determination
has been
provided*