

Terms and Conditions for OTC Trading with National Grid

The terms applicable to any Non-System Transactions shall be those set out in the Short Term Flat NBP Trading Terms and Conditions. 1997 (.NBP97.), as amended as follows:

1. Clause 6 of NBP97 shall be deleted and replaced with the following:

6. Billing and Payment

6.1 On or before the tenth (10th) day of the Month following each Month which is wholly or partly in the Supply Period the Seller shall send to the Buyer a statement ("Monthly Statement") which shall show for the preceding Month:

6.1.1 the quantity of Gas in respect of which NBP Trades have been effected on each Day in that Month;

6.1.2 the quantity of Gas in respect of which the Contract Price is payable and the resultant sum owing to the Seller;

6.1.3 the Contract Price;

6.1.4 any amount owing from one Party to the other or already paid or set-off under Clause 4.4 or 6.7;

6.1.5 the net amount payable from one Party to the other after taking into account all the matters set out above, and

6.1.6 VAT and any other applicable taxes.

6.2 The net amount payable in accordance with the Monthly Statement shall be invoiced by National Grid as Market Balancing Action Charges in accordance with the provisions of Section S of the Transportation Principal Document forming part of the UNC. Where net amount payable in accordance with the Monthly Statement is payable by National Grid, such amount shall be included as a self-bill amount (as defined in the UNC) in the relevant invoice.

6.3 The provisions of the UNC shall apply regarding the payment (or non-payment) of the net amount payable in accordance with the Monthly Statement..

2. National Grid shall be entitled to publish details of the Transaction (but not the identity of the other Party) for the purposes of advising Users (as defined in the UNC) and others of the calculations in respect of the System Average Price, System Marginal Buy Price and System Marginal Sell Price (in each case defined in the UNC) for the day or days to which the Transaction relates.

3. The Confirmation shall be as set out in the 'Pro-forma for confirming an accepted OTC offer'.