Introduction

In August 2012 the way we engage with customers who are looking at developing a new connection or modifying an existing connection to our Gas National Transmission System changed. As part of these changes we undertook to provide more transparency in the way we operate the arrangements, including:

- Clear processes and timeframes
- Schedule of charges
- Published framework contracts
- •Regular reporting of our performance

This is the Second of the Reports produced since the implementation of the revised arrangements in August 2012, and cover the period From October to December.

Overview of the Arrangements

There are two types of connection offers that customers can request; an Initial Connection Offer (ICO) which provides an early estimate of the physical construction costs; programme of works and layout of the proposed Connection, and a Full Connection Offer (FCO) which provides a detailed estimate of the physical construction costs, programme of works and layout of the proposed Connection based on design / engineering studies. There is also the option for the customer to request a modification to an existing Full Connection Offer.

Each of these offers has set timescales (e.g. 2 months for an ICO and 6 months for a simple FCO, i.e. a small transmission connection), agreed through consultation with the Industry.

Content of the Report

This report shows our performance in the period October – December 2012 and contains charts displaying our performance in each of the following areas:

- •Competent Quarterly & Competent Cumulative This chart shows how many ICO & FCO applications have been received where all necessary information has been provided
- •Initial Connection and Full Connection Offers made These 2 charts show how many offers of each type have been made
- •Average Time to Deliver There are 3 further charts that show how long we are taking to deliver an ICO, a Simple FCO and a Medium/ Complex FCO

Please note that we are unable to publish details of individual contracts at this time because of the confidential bilateral arrangements in place, though we intend to explore with our customers ways of adding more information to this reporting.

In the interim, if you require further details about any of the information contained within this report please don't hesitate to contact us via email at: transmissionconnections@nationalgrid.com

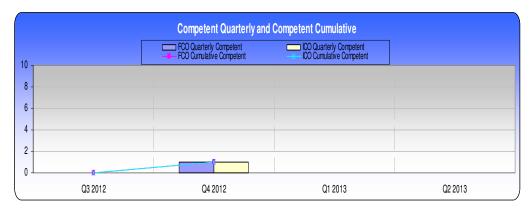
Or by post to:

CV34 6DA

Vicky Higgin, Gas Customer Manager Transmission Network Service National Grid plc National Grid House Warwick Technology Park Gallows Hill Warwick

The application form and supporting guide can be found on the Gas Transmission Connection page of National Grid's website or via the link below: http://www.nationalgrid.com/NR/rdonlyres/F75A64D3-68BE-4A6B-A0DD-586ED75B4E27/56969/UNCNTSConnectionApplicationv30October_2012.doc http://www.nationalgrid.com/NR/rdonlyres/84C3C5FD-A50A-4195-82A8-BE965640DCA8/57277/ConnectionApplicationGuidev20October13.doc

NTS Gas Connections Data is published to illustrate the Volumes of Applications, their Competency and the Average Time to make an Offer



Description of Measure:

The number of Competent Applications received for Initial and Full Connection Offer(s) (ICO & FCO)

- Quarterly
- Cumulative

Current Analysis

- 1 Competent ICO Application made in Q4 2012
- 1 Competent FCO Application made in Q4 2012



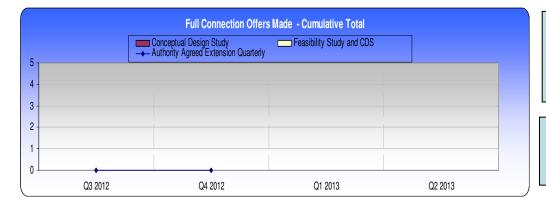
Description of Measure:

The cumulative number of Initial Connection Offers made in each Quarter within:

- 2 Months ICO (standard)
- Authority approved timeline extension to provide ICO

Current Analysis

- 1 Initial Connection Offer made in Q4 2012
- 0 Authority Agreed Extensions



Description of Measure:

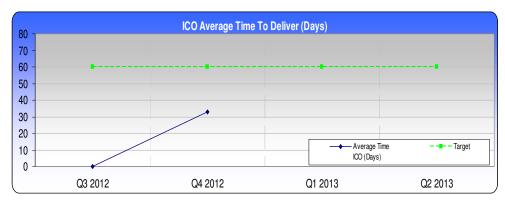
The cumulative number of Full Connection Offers made in each Quarter within:

- 6 Months Conceptual Design Study (CDS)
- 9 Months Feasibility Study+CDS
- Authority approved timeline extension to provide FCO

Current Analysis

- 0 Full Connection Offers made in Q4 2012
- 0 Authority Agreed Extensions

NTS Gas Connections Data is published to illustrate the Volumes of Applications, their Competency and the Average Time to make an Offer

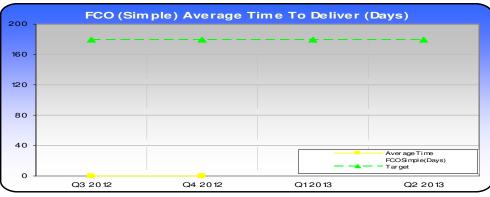


Description of Measure:

The average time from Application Deemed Competent to deliver An Initial Connection Offer (ICO) within 60 days (2 Months)

Current Analysis

1 Initial Connection Offers made in Q4 2012 with an average time of 33 days

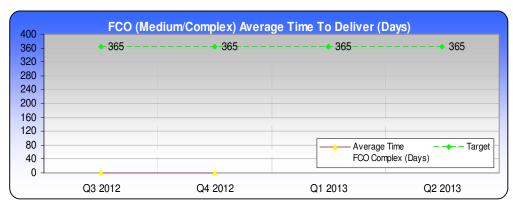


Description of Measure:

The average time from Application Deemed Competent to deliver a 'simple' Full Connection Offer (FCO) within 180 days (6 months)

Current Analysis

0 Full Connection Offers (simple) made in Q4 2012



Description of Measure:

The average time from Notification of Acceptance to deliver a 'medium or complex' Full Connection Offer(FCO) within 365days + upto 3 months for Customer acceptance period)

Current Analysis

0 Full Connection Offers (complex) made in Q4 2012