

OPERATING MARGINS GAS PROCUREMENT TENDER RULES

GPTR 1.0

Issued 15th April 2009

**Network Operations
National Grid Gas plc
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PLEASE NOTE :

This document should be read in conjunction with the documents entitled;

- Gas Procurement Tender Offer Notice GPT 4-09
- Gas Procurement Tender Invitation Notice GPT 4-09
- Gas Procurement Tender Terms GPTT1.0

Each of these documents can be found at:

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/GasOperatingMargins/>

nationalgrid

Reference Number: GPTR 1.0

GAS PROCUREMENT TENDER RULES

INTRODUCTION

1. These Gas Procurement Tender Rules ("**Gas Procurement Tender Rules**") detail the procedure by which a Tendering User may offer to enter into, and National Grid Gas may accept, a Gas Purchase Contract for the sale by that Tendering User to National Grid Gas of gas for Operating Margins Purposes in accordance with the Gas Procurement Tender Invitation Notice.
2. Defined terms used in these Gas Procurement Tender Rules shall, unless the context otherwise requires or otherwise defined herein, have the meanings given to them in the Gas Procurement Tender Terms (as defined below).

GAS PROCUREMENT TENDER OFFERS

3. Gas Procurement Tender Offers must be submitted by a Tendering User on its headed paper in accordance with (and are subject to) these Gas Procurement Tender Rules, the Gas Procurement Tender Terms with reference number GPTT1.0 (the "**Gas Procurement Tender Terms**") and the relevant Gas Procurement Tender Invitation Notice inviting such Gas Procurement Tender Offers (the "**Gas Procurement Tender Invitation Notice**").
4. In submitting a Gas Procurement Tender Offer a Tendering User is binding itself to the provisions of these Gas Procurement Tender Rules, the Gas Procurement Tender Terms and the Gas Procurement Tender Invitation Notice.
5. A Gas Procurement Tender Offer must be made in a Gas Procurement Tender Offer Notice. Such Gas Procurement Tender Offer Notice must be in the form annexed to the Gas Procurement Tender Invitation Notice.
6. All Gas Procurement Tender Offer Notices must be completed and submitted strictly in accordance with the Gas Procurement Tender Invitation Notice, these Gas Procurement Tender Rules and the Gas Procurement Tender Terms. No amendments or qualifications are permitted to any Gas Procurement Tender Offer.
7. No more than one offer to enter into a Gas Purchase Contract may be made in any one Gas Procurement Tender Offer.
8. A Tendering User may submit not more than 10 Gas Procurement Tender Offers in respect of the same Delivery Method for the same Delivery Period pursuant to the same Gas Procurement Tender Invitation Notice.
9. Only one Gas Procurement Tender Offer Notice may be submitted in respect of the same Gas Procurement Tender Invitation Notice.
10. Every Gas Procurement Tender Offer shall be separate to and independent of every other Gas Procurement Tender Offer whether in respect of the same

Gas Procurement Tender Offer Notice or otherwise.

11. Every Gas Procurement Tender Offer must be made against a Gas Procurement Tender Offer Number as stated in the Gas Procurement Tender Offer Notice. It is acknowledged that if a User does not submit the maximum number of permitted Gas Procurement Tender Offers, the numbers allocated to such Gas Procurement Tender Offers may not be fully consecutive.
12. The Price, Delivery Method, Delivery Period, number of Tranches and Tendered Quantity for every Gas Procurement Tender Offer must be in accordance with the requirements, if any, of the Gas Procurement Tender Invitation Notice.
13. All Gas Procurement Tender Offers specified in a Gas Procurement Tender Offer Notice must, in respect of each Delivery Method for a specific Delivery Period, be listed in ascending Price order, with the lowest Price specified first.
14. All Gas Procurement Tender Offer Notices and the schedule thereto must be signed by a duly authorised signatory of the Tendering User.
15. Gas Procurement Tender Offers must be submitted to National Grid Gas in accordance with the Gas Procurement Tender Invitation Notice, the Gas Procurement Tender Terms and these Gas Procurement Tender Rules.
16. The attention of all Tendering Users is drawn to the representations, warranties and undertakings set out in the Gas Procurement Tender Offer Notice and the Gas Procurement Tender Terms.
17. In preparing and submitting its Gas Procurement Tender Offer every Tendering User must first:
 - (a) obtain all information necessary for the preparation of its Gas Procurement Tender Offer;
 - (b) ensure that its Gas Procurement Tender Offer is properly completed and satisfy and verify all matters in relation to its Gas Procurement Tender Offer (each Tendering User being solely responsible and liable for any error or omission in its Gas Procurement Tender Offer);
 - (c) carry out all necessary researches, investigations and enquiries in relation to its Gas Procurement Tender Offer;
 - (d) satisfy itself as to the nature, extent, volume and character of its Gas Procurement Tender Offer and the Tender Documents;
 - (e) satisfy itself as to all other matters which may affect its Gas Procurement Tender Offer and as to the accuracy and sufficiency of its Gas Procurement Tender Offer; and
 - (f) obtain all necessary information as to the risks, contingencies and any other circumstances which may reasonably influence or affect its Gas Procurement Tender Offer.

GAS PROCUREMENT TENDER ACCEPTANCES

18. No Gas Procurement Tender Offer shall be deemed accepted unless formally accepted by National Grid Gas submitting to the relevant Tendering User a Gas Procurement Tender Acceptance in a duly completed and signed Gas Procurement Tender Acceptance Notice.

PAYMENTS, COSTS, EXPENSES AND LIABILITIES

19. There is no payment obligation in respect of a Gas Purchase Contract or any Tender Document save as expressly set out in the Gas Procurement Tender Terms.
20. Tendering Users are solely responsible and liable for all costs, expenses and liabilities incurred in connection with their preparation, submission and operation of a Gas Procurement Tender Offer.