

Sam Wither  
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14 April 2008

Dear Colleague

**GAS DISPOSAL TENDER GDT 4-08**  
**Invitation to participate in the tender for disposal of Operating Margins gas**  
**from the Avonmouth, Dynevor Arms, Glenmavis LNG Storage Facilities and Hornsea**  
**Gas Storage Facility**

Pursuant to Section K of the Uniform Network Code (UNC), National Grid Gas invites you to take part in a Gas Disposal Tender for surplus gas in storage (Operating Margins) at Avonmouth, Dynevor Arms, Glenmavis and Hornsea. Users are invited to submit Bids to buy gas in accordance with the enclosed Gas Disposal Tender Invitation Notice (GDT 4-08), the Gas Disposal Tender Rules (GDTR 1.0) and Gas Disposal Tender Terms (GDTT 1.0). These documents are available from the following website address;

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

If additional copies are required please contact the undersigned who will be pleased to forward them.

Each Bid made must be in respect of one (only) of the following Delivery Methods:

- By NBP Trade in accordance with the NBP 1997 Terms
- By Storage Gas Transfer in the Avonmouth, Dynevor Arms, Glenmavis LNG Storage Facilities and Hornsea Gas Storage Facility.

When a completed Gas Disposal Tender Bid Notice is submitted to National Grid Gas for delivery by Storage Gas Transfer, it must also be accompanied by written confirmation from the tenderer that they have an arrangement with the facility operator to receive and hold gas in store at Avonmouth, Dynevor Arms, Glenmavis and Hornsea effective for the period commencing 01<sup>st</sup> May 2008.

National Grid Gas will then seek similar confirmation from the facility operator and if either confirmation is not forthcoming by 11:00 hours on 25<sup>th</sup> April 2008, the Bid will be treated by National Grid Gas as invalid.

Each Bid must also be in respect of a specific Delivery Period which is dependent upon the Delivery Method selected:

- For NBP Trades the Delivery Period will be 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> May 2008
- For Storage Gas Transfers the Delivery Period will be 01<sup>st</sup> May 2008

Each Bid must be in respect of a whole number of Tranches, each Tranche being for a Tendered Quantity of **1,000,000** kWh of gas. The maximum aggregate quantity of gas for which National Grid Gas will be willing to enter into a Gas Disposal Contract as part of this Gas Disposal Tender is 86,000,000kWh, 104,000,000kWh, 4,000,000kWh and 18,000,000kWh at Avonmouth, Dynevor Arms, Glenmavis and Hornsea respectively.

The Bid Window Period will commence at 09:00 and close at 11:00 on Friday 25<sup>th</sup> April 2008. Bids must be submitted in writing by completing in full the Gas Disposal Tender Bid Notice (GDT 4-08). Completed Gas Disposal Tender Bid Notices must be submitted to National Grid Gas by facsimile to 01926 656612 or 01926 656613 marked for the attention of Sam Wither.

If National Grid Gas accepts a Bid (in part or in whole) then it will use reasonable endeavours to notify successful Tendering Users using the Gas Disposal Tender Acceptance (GDT 4-08) by 17:00 hours on Friday 25<sup>th</sup> April 2008.

#### Timetable Summary

14<sup>th</sup> April – ITT published

25<sup>th</sup> April – Bid Window between 09:00 – 11:00

25<sup>th</sup> April – Results notification

Please note that National Grid Gas have tendered inviting offers for a trade of Dynevor Arms and Avonmouth Storage Gas for Partington Storage Gas. Each tender bid or trade offer will form part of this tender assessment and as such the maximum aggregate quantity of gas for which National Grid Gas will be willing to enter into a Gas Disposal Contract may not be 212,000,000kWh in total but could be up to a total of 141,000,000kWh.

Should you require any information regarding the Gas Disposal Tender, please contact either myself on 01926 656492 or Juliana Urdal on 01926 656195.

Yours faithfully

Sam Wither

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