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Modification Proposal 0233V
‘Changes to Outstanding Energy Balancing Indebtedness Calculation’

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

National Grid Transmission offers support for Modification Proposal 0233V.

We believe that this variation addresses the concerns we expressed in our response to the original Modification Proposal 0233.

We would, however, like to take this opportunity to suggest that for the purposes of National Grid ‘becoming aware of information’ within the Public Domain, such ‘information’ should be notified to National Grid NTS by a Member of the EBCC. We consider that it would be more appropriate that recalculations of a User’s Outstanding Relevant Balancing Indebtedness should only be undertaken, upon direction from the EBCC, where an EBCC member has reasonable grounds to believe that such information demonstrates a material risk to the community resulting from a potential Shipper Default. Additionally we would like to suggest that the EBCC member requests that an EBCC meeting is convened and subsequently the EBCC directs National Grid NTS to take the required action.

We agree that this Proposal may better anticipate a User’s cumulative energy balancing position at close-out on the Day, and as a consequence the EBCC may have the ability to take actions which may reduce the liability faced by the community, should a Defaulting User be terminated for any reason.

We also agree that such an arrangement also provides Users with the ability to provide more ‘up-to-date’ information for the Relevant Period, which may be used as part of the calculations of a User’s Anticipated Balancing Indebtedness, with this being verified by National Grid NTS. We believe that this may reduce the number of unnecessary Cash Call notices being issued.

Please let me know if you require any further information to enable preparation of the Final Modification Report.

Yours sincerely

Claire Thorneywork