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12th January, 2009.

Your Reference: Modification Proposal 0237.

Re: Modification Proposal 0237: 'Disposal of Dynevor Arms LNG Storage Facility'

Dear John,

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

National Grid Gas plc (Distribution) would like to offer support for this proposal.

The proposed changes to the UNC are: removal of the references to Dynevor Arms contained within TPD Section R; an amendment to the Transition Document Part IIC, to explain that Dynevor Arms will continue to be a National Grid LNG Storage Facility until National Grid ceases to operate the facility on its own behalf; and an addition to TPD Section Z to explain that until Dynevor Arms ceases to be a National Grid LNG Storage Facility, the Maximum Storage Deliverability, the Maximum Storage Space and Maximum Storage Injectability shall each be zero.

National Grid NTS has stated that it no longer requires locational Operating Margins services to be provided by the Dynevor Arms facility, nor does it forecast any future need for a constrained storage service at the facility. Distribution therefore believes that it is appropriate to amend the UNC to allow the effective disposal of the asset.

Distribution agrees with the comments put forward in the Draft Modification Report in relation to the better facilitation of the Relevant Objectives.

Please contact Alison Chamberlain on 01926 653994 (alison.chamberlain@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Richard Court
Commercial Manager, Distribution.