

OPERATING MARGINS

GAS DISPOSAL TENDER RULES

GDTR 1.0

Issued 14th April 2008

**Network Operations
National Grid Gas plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
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PLEASE NOTE :

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

- **Gas Disposal Tender Invitation Notice GDT 4-08**
- **Gas Disposal Tender Terms GDTT 1.0**
- **Gas Disposal Tender Bid Notice GDT 4-08**

Each of these documents can be found at:

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

nationalgrid

Reference Number: GDTR1.0

GAS DISPOSAL TENDER RULES

INTRODUCTION

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

GAS DISPOSAL TENDER BIDS

3. Gas Disposal Tender Bids must be submitted by a Tendering User on its headed paper in accordance with (and are subject to) these Gas Disposal Tender Rules, the Gas Disposal Tender Terms with reference number GDTR1.0 (the “**Gas Disposal Tender Terms**”) and the relevant Gas Disposal Tender Invitation Notice inviting such Gas Disposal Tender Bids (the “**Gas Disposal Tender Invitation Notice**”).
4. In submitting a Gas Disposal Tender Bid a Tendering User is binding itself to the provisions of these Gas Disposal Tender Rules, the Gas Disposal Tender Terms and the Gas Disposal Tender Invitation Notice.
5. A Gas Disposal Tender Bid must be made in a Gas Disposal Tender Bid Notice. Such Gas Disposal Tender Bid Notice must be in the form annexed to the Gas Disposal Tender Invitation Notice.
6. All Gas Disposal Tender Bid Notices must be completed and submitted strictly in accordance with the Gas Disposal Tender Invitation Notice, these Gas Disposal Tender Rules and the Gas Disposal Tender Terms. No amendments or qualifications are permitted to any Gas Disposal Tender Bid.
7. No more than one offer to enter into a Gas Disposal Contract may be made in any one Gas Disposal Tender Bid.
8. A Tendering User may submit not more than 10 Gas Disposal Tender Bid in respect of the same Delivery Method for the same Delivery Period pursuant to the same Gas Disposal Tender Invitation Notice.
9. Only one Gas Disposal Tender Bid Notice may be submitted in respect of the same Gas Disposal Tender Invitation Notice.
10. Every Gas Disposal Tender Bid shall be separate to and independent of every other Gas Disposal Tender Bid whether in respect of the same Gas Disposal Tender Bid Notice or otherwise.
11. Every Gas Disposal Tender Bid must be made against a Gas Disposal Tender Bid Number as stated in the Gas Disposal Tender Bid Notice. It is acknowledged that if a User does not submit the maximum number of

permitted Gas Disposal Tender Bids, the numbers allocated to such Gas Disposal Tender Bids may not be fully consecutive.

12. The Price, Delivery Method, Delivery Period, number of Tranches and Tendered Quantity for every Gas Disposal Tender Bid must be in accordance with the requirements, if any, of the Gas Disposal Tender Invitation Notice.
13. All Gas Disposal Tender Bids specified in a Gas Disposal Tender Bid Notice must, in respect of each Delivery Method for a specific Delivery Period, be listed in descending Price order, with the highest Price specified first.
14. All Gas Disposal Tender Bids Notices and the schedule thereto must be signed by a duly authorised signatory of the Tendering User.
15. Gas Disposal Tender Bids must be submitted to National Grid Gas in accordance with the Gas Disposal Tender Invitation Notice, the Gas Disposal Tender Terms and these Gas Disposal Tender Rules.
16. The attention of all Tendering Users is drawn to the representations, warranties and undertakings set out in the Gas Disposal Tender Bid Notice and the Gas Disposal Tender Terms.
17. In preparing and submitting its Gas Disposal Tender Bid every Tendering User must first:
 - (a) obtain all information necessary for the preparation of its Gas Disposal Tender Bid;
 - (b) ensure that its Gas Disposal Tender Bid is properly completed and satisfy and verify all matters in relation to its Gas Disposal Tender Bid (each Tendering User being solely responsible and liable for any error or omission in its Gas Disposal Tender Bid);
 - (c) carry out all necessary researches, investigations and enquiries in relation to its Gas Disposal Tender Bid;
 - (d) satisfy itself as to the nature, extent, volume and character of its Gas Disposal Tender Bid and the Tender Documents;
 - (e) satisfy itself as to all other matters which may affect its Gas Disposal Tender Bid and as to the accuracy and sufficiency of its Gas Disposal Tender Bid; and
 - (f) obtain all necessary information as to the risks, contingencies and any other circumstances which may reasonably influence or affect its Gas Disposal Tender Bid.

GAS DISPOSAL TENDER ACCEPTANCES

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

PAYMENTS, COSTS, EXPENSES AND LIABILITIES

1. There is no payment obligation in respect of a Gas Disposal Contract or any Tender Document save as expressly set out in the Gas Disposal Tender Terms.
2. 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 Disposal Tender Bid.