

16 April 2007

Dear Colleague

GAS DISPOSAL TENDER GDT 4/07
Invitation to participate in the tender for disposal of Operating Margins gas
from the Avonmouth and Dynevor LNG Storage Facilities

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 and Dynevor. Users are invited to submit Bids to buy gas in accordance with the enclosed Gas Disposal Tender Invitation Notice (GDT 4/07), the Gas Disposal Tender Rules (GDTR 1.0) and Gas Disposal Tender Terms (GDTT 1.0). The latter two documents have already been issued to Users however 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 and Dynevor LNG Storage Facilities.

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 or Dynevor effective for the period commencing 01st May 2007.

National Grid Gas will then seek similar confirmation from the facility operator and if either confirmation is not forthcoming by 17:00 hours on 27th April 2007, 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 01st to 31st May 2007
- For Storage Gas Transfers the Delivery Period will be 01st May 2007

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 137,000,000 kWh and 44,000,000 kWh at Avonmouth and Dynevor, respectively, or 181,000,000 kWh in total.

The Bid Window Period will commence at 09:00 and close at 11:00 on Friday 27th April 2007. Bids must be submitted in writing by completing in full the Gas Disposal Tender Bid Notice (GDT 4/07). 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 4/07) by 17:00 hours on Friday 27th April 2007.

Should you require any information regarding the Gas Disposal Tender, please contact either myself on 01926 656492 or Harjinder Kandola on 01926 654056.

Yours faithfully

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