

NOTICE PURSUANT TO SECTION 38A GAS ACT 1986

Reasons for the decision of the Gas and Electricity Markets Authority to grant consent to Wales and West Utilities Limited

Whereas on 1 of May 2008 the Gas and Electricity Markets Authority granted consent to the Wales and West Utilities Limited (the "licensee"), Company Number 05046971 of Wales and West House, Spooner Close Coedkernew, Newport, South Wales NP10 8FZ under Standard Special Condition A27 (Disposal of Assets) ("SSC A27") of the gas transporter licence granted by the Authority to the licensee, on the licensee's request.

Now in accordance with section 38A of the Gas Act 1986, the reasons for the decision of the Authority to grant the SSC A27 consent are to enable the licensee to relinquish operational control to National Grid Gas plc over certain of the licensee's transportation assets that amounted in the licensee's view, to between 0.7% and 1.4% of the Great Britain gas conveyance system.

Dated 16 May 2008

A handwritten signature in black ink, appearing to read 'Rachel Fletcher', is written over a light grey rectangular background.

Rachel Fletcher
Director of Distribution

Duly authorised by the Gas and Electricity Markets Authority