

Notice pursuant to Section 38A Gas Act 1986

Reasons for the decision of the Gas and Electricity Markets Authority to grant consent to Southern Gas Networks plc

Whereas on 1 of May 2008 the Gas and Electricity Markets Authority granted consent to the Southern Gas Networks plc (the "licensee"), Company Number 05167021 of St Lawrence House, Station Approach, Horley, Surrey RH6 9HJ 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