



To The Company Secretary
National Grid Gas plc
National Grid House
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA

*Promoting choice and
value for all customers*

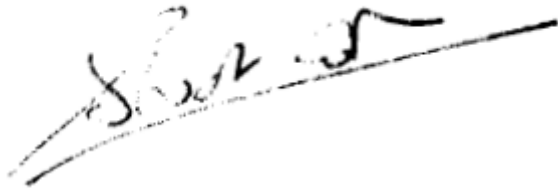
MODIFICATION OF THE GAS TRANSPORTER LICENCE UNDER SECTION 23 OF THE GAS ACT 1986

Whereas:

1. National Grid Gas plc, ("the NTS Licensee") is the holder of a gas transporter (GT) licence in respect of the National Transmission System (NTS) ("the NTS Licence") treated as granted under Section 7 of the Gas Act ("the Act").
2. Pursuant to Section 23(3) of the Act, the Gas and Electricity Markets Authority ("the Authority") gave notice on 30 May 2008 ("the Notice") that it proposed to modify two Special Conditions of the NTS Licence.
3. Prior to the close of the consultation period in respect of the Notice, the Authority received no representations or objections in relation to the proposed modification of the NTS Licence.
4. Pursuant to Section 23(4)(b) of the Act, the Authority gave notice of its intention to modify the NTS Licence to the Secretary of State and has not yet received a direction from the Secretary of State not to make the modification.
5. On 19 June 2008 the NTS Licensee gave its written consent to the proposed modification of the NTS Licence.
6. In accordance with Section 38A of the Act, the reasons for making this decision to modify the NTS Licence are set out in the Decision Document, titled "TPCR Gas Entry Baseline Review – Final Proposals" with reference number 72/08, published on 30 May 2008. The Decision Document is available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at www.ofgem.gov.uk.

Pursuant to the powers contained in section 23(1)(a) of the Act, and with effect from 1 July 2008, the Authority hereby modifies the NTS Licence by amending the definition of 'baseline obligated entry capacity' in Special Condition C8A 1.(a), the definition of entry capacity operational buy-back target cost (EnCOBBTC) in Special Condition C8D 3.(a) and various aspects of Special Condition C8D 9.(c), Special Condition C8D 9.(d), Special Condition C8D 9.(g)(i), Special Condition C8D 9.(g)(ii), Special Condition C8D 9.(h)(iv)(aa) and Special Condition C8D 9.(h)(iv)(bb), in the manner set out in Schedules A and B to this Notice.

The official seal of the Gas and Electricity Markets Authority is affixed to this decision and is authenticated by



Stuart Cook
Director, Transmission
Duly authorised on behalf of the Authority
30 June 2008