

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*

Direction issued to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to paragraph 4(b)(i) and 4(c)(i) of Special Condition C8E of the gas transporter licence in respect of the NTS.

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority") under paragraph 4 of Special Condition C8E of the gas transporter licence in respect of the NTS (the "Licence") treated as granted under Section 7 of the Gas Act 1986 (the "Act") to National Grid Gas plc (the "Licensee").
2. Paragraphs 4(b)(i) and 4(c)(i) of Special Condition C8E of the Licence provides that the Licensee shall:

4(b)(i) "...on or before 1 April 2008 or such later date as the Authority may otherwise direct in writing, prepare and submit an exit capacity substitution methodology statement, setting out the exit capacity substitution methodology which it will use to substitute NTS capacity."; and

4(c)(i) "...on or before 1 April 2008 or such later date that the Authority may direct in writing, prepare and submit for approval by the Authority an exit capacity revision methodology statement, setting out the exit capacity revision methodology which it shall use to revise the NTS baseline exit capacity or baseline flow flexibility as a result of its obligations set out in paragraphs 3 (c)(ii) and 3(c)(iii) of this condition."

3. On 26 February 2008 the Authority directed under paragraphs 4(b)(i) and 4(c)(i) of Special Condition C8E that a later date of 1 April 2009 shall apply for the purposes of Special Condition C8E of the Licence.

4. The Authority hereby directs under Paragraphs 4(b)(i) and 4(c)(i) of Special Condition C8E of the Licence that a later date of 4 January 2011 shall apply for the purposes of paragraphs 4(b)(i) and 4(c)(i) of Special Condition C8E

5. The Direction shall take effect on and from 23 February 2009

Dated: 23 February 2009



**Signed on behalf of the Authority
Stuart Cook – Director, Transmission
Authorised for that purpose by the Authority**