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*Promoting choice and value for
all gas and electricity customers*

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Dear Steve

Date: 28 May 2010

Direction issued to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to paragraph 3 (b) 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") pursuant to paragraph 3(b) 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. Paragraph 3 (b) of Special Condition C8E of the Licence provides that the Licensee shall in respect of the enduring exit period use all reasonable endeavours, unless and insofar as the Authority may otherwise direct from time to time in writing, to offer for sale:
 - (i) in respect of any NTS exit point, and any day in formula year t , all NTS baseline exit flat capacity to gas shippers and DN operators in all available allocations up to the end of the day to which the capacity relates, consistent with the charging methodology established pursuant to Standard Special Condition A5 (Obligations as Regard Charging Methodology).
 - (ii) in respect of any NTS exit point, and any day in formula year t , all NTS obligated incremental exit flat capacity to gas shippers and DN operators in all available allocations to the end of the day to which the capacity relates, consistent with the charging methodology established pursuant to Standard Special Condition A5 (Obligations as Regard Charging Methodology).
3. The Licensee has expressed concerns that if it is obliged to offer for sale NTS exit baseline flat capacity and NTS obligated incremental exit flat capacity at Abernedd power station, it could be exposed to revenue losses, as this exit point does not have an established revenue driver. Accordingly, the Licensee has requested relief from the obligation in paragraph 3 (b) of Special Condition C8E for this specific exit point for a limited period of time.
4. The Authority has considered the Licensee's request and hereby directs under paragraph 3 (b) of Special Condition C8E of the Licence that the Licensee is relieved of its obligation to offer for sale NTS baseline exit flat capacity and NTS obligated incremental exit flat capacity at Abernedd power station, as listed in table 2 of

Annex A of Special Condition C8E, in the July 2010 annual application window for Enduring Annual NTS Exit (Flat) Capacity.

5. Further reasons for the granting of this request can be found in the attached letter, "Abernedd power station: Exclusion from the Enduring Annual NTS Exit (Flat) Capacity annual application window."
6. The Direction shall take effect on and from 31 May 2010 and shall remain in effect until 1 August 2010 or such time as the Authority shall revoke or vary the Direction in writing upon reasonable notice.

Dated: 28 May 2010

Signed

A handwritten signature in black ink, appearing to read 'Stuart Cook', written over a horizontal line.

Stuart Cook

Senior Partner, Transmission & Governance

Signed on behalf of the Authority and authorised for that purpose