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

Your Ref:
Our Ref:
Direct Dial: 020 7901 7165
Email: Hannah.Nixon@ofgem.gov.uk

Date: 11 January 2011

Dear Mark

Notice of the Authority's intention to undertake an impact assessment in respect of the Exit Capacity Substitution and Revision methodology statements submitted by National Grid Gas under Special Condition C8E Paragraphs 4(b) and 4(c) of the Gas Transporter Licence

On 4 January 2011, National Grid Gas (NGG) submitted its Exit Capacity Substitution and Exit Capacity Revision methodology statements to the Authority for approval under Special Condition C8E Paragraphs 4(b) and 4(c) of the Gas Transporter (GT) Licence respectively.

Under sub-paragraphs 4(b)(ii) and 4(c)(ii) of the condition, unless otherwise directed by the Authority (such direction to be made within two months of receipt of the methodology statements or within three months if the Authority indicates its intention to undertake an impact assessment), the licensee is obliged to use reasonable endeavours to apply the methodologies set out in the statements from the earlier of

- (aa) the date of receipt of a notice from the Authority approving the statements; or
- (bb) the date being two months after the statements were submitted to the Authority or three months after the statements were submitted if the Authority indicates its intention to undertake an impact assessment.

This letter serves notice of the Authority's intention to conduct an impact assessment on the methodology statements submitted, and therefore extends the latest date by which the Authority may veto or approve the methodology statements to 4 April 2011. It is our intention to publish the impact assessment for consultation towards the beginning of February.

If you have any questions in respect of this letter please contact Lewis Hodgart by telephone on 01413316005 or by e-mail at lewis.hodgart@ofgem.gov.uk.

Yours sincerely

Hannah Nixon
Partner – Transmission

