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Dear Hannah

Notice under section 23 of the Gas Act 1986 (re Modification of Special Condition C8B (NTS transportation owner activity revenue restriction) (the “Condition”) of National Grid Gas plc’s gas transporter licence in respect of the NTS (the “NTS licence”))

I refer to the notice (the “Notice”) given by the Gas and Electricity Markets Authority on 24 June 2011 pursuant to Section 23 of the Gas Act 1986 (the “Act”) that it proposes to modify the NTS licence in the manner set out in Schedule 2 to the Notice.

National Grid Gas plc (“National Grid”) has considered the proposed modifications and considers that they would benefit from the slight amendment outlined below in order to ensure consistency is maintained between these modifications and the corresponding modifications to National Grid Electricity Transmission plc’s (“NGET’s”) electricity transmission licence.

In paragraph (i) of Section 3(e) NTS transportation owner income adjustment (TOIAT), the text “...owner income adjusting event(s) **related** to relevant security costs...” should instead read “...owner income adjusting event(s) **relating** to relevant security costs...” as this is how paragraph 4(a) of Special Condition D2 (Restriction on Transmission Network revenue) of NGET’s licence has been drafted.

National Grid has discussed this amendment with Ofgem and does not consider that the change it is proposing to the drafting of the Condition materially affects the objective served by proposed modification. As such, it does not consider that that these changes are material.

In this light, I confirm that, for the purposes of Section 23 of the Act, National Grid Gas plc hereby consents to the modification of its NTS licence in the manner specified in Schedule 2 to the Notice provided that the amendment suggested in this letter is incorporated in the text directed for inclusion in the Licence.

Yours sincerely

[By e-mail]

Paul Whittaker
UK Director of Regulation