



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

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

Consent given to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to paragraph 3 of Special Condition C15 of the gas transporter licence in respect of the NTS.

1. This Consent is given by the Gas and Electricity Markets Authority (the "Authority") under Special Condition C15 of the gas transporter licence in respect of the NTS (the "Licence") granted or treated as granted under section 7 of the Gas Act 1986 (the "Act") to National Grid Gas plc (the "Licensee").
2. Paragraph 2 of Special Condition C15 provides that the licensee shall before 7 November in each formula year (or such later date in each formula year as the Authority may approve) prepare and submit for approval by the Authority an incremental entry capacity release ("IECR") methodology statement setting out (consistently with the licensee's duties under the Act and relevant licence conditions) the methodology by which it will determine whether to make incremental entry capacity available for sale to gas shippers.
3. Paragraph 3 of Special Condition C15 of the Licence ("paragraph 3") provides that, unless the Authority otherwise consents, the IECR methodology statement shall be accompanied by a statement from appropriate auditors confirming that they have carried out an investigation, the scope of which shall have been established by the licensee and approved by the Authority, and giving their opinion as to the extent to which the licensee has developed a methodology that is consistent with the licensee's duties under the Act and the standard, Standard Special and Special Conditions.
4. Given that the formulae used in the Licensee's IECR methodology statement being prepared for 7 November 2012 have not changed since the previous audit in 2011, there is little or no benefit to be gained from obtaining the auditors' statement referred to in paragraph 3.

THEREFORE

5. The Authority hereby consents to the Licensee submitting an IECR methodology statement before 7 November 2012 for formula year 2012 without a statement from auditors as referred to in paragraph 3.

Dated: 13 July 2012

Signed on behalf of the Authority



Andrew Burgess

**Associate Partner, Transmission and Distribution Policy
Authorised for that purpose by the Authority**