

21 November 2006

* 24 Hour Gas Escape Number 0800 111 999
* Calls may be recorded

www.nationalgrid.com

To: *COUNTERPARTIES TO MPU CONTRACTS*

Dear Colleague

MPU Agreements

I am writing in connection with the two agreements to which you are party with National Grid, concerning the connection of MPU equipment to National Grid meters, namely:

- Framework Agreement and General Conditions for installation of MPU Equipment to meters with a capacity greater than or equal to 11 scmh, and
- Framework Agreement and General Conditions for connection of MPU Equipment to National Grid Daily Read Equipment.

These agreements were developed some time ago, and have remained unchanged although some key industry developments have taken place since 2004, notably the Review of Gas Metering Arrangements in July 2004 and the distribution network sales in May 2005. Accordingly the two agreements are currently being reviewed by National Grid and it is anticipated that this review will recommend some key changes to the agreements, in consultation with interested parties. National Grid's aim is to conclude the review process as soon as practicable but is keen to offer the benefits of some early conclusions at the earliest opportunity. Accordingly, until further notice, National Grid will operate the current agreements on the following basis:-

- we are prepared to extend the scope of the agreement to meters with capacities less than 11 scmh
- we will waive the requirement that continuing connection rights are dependent on you remaining either the supplier or consumer (or consumer agent) for the relevant meter

If you have any queries at this stage, please do not hesitate to contact Nino Barresi (nino.barresi@uk.ngrid.com)

Any request to access these terms (for example by seeking a connection to a below 11scmh meter) will be treated as indicative of your agreement to the terms of this letter.

Yours sincerely,

David Pickering
Senior Contracts Manager
National Grid Metering