

Sarah Harrison
Managing Director, Corporate Affairs

Alison Kay
CUSC Amendments Panel Chair

Alison.kay@uk.ngrid.com
Direct tel +44 (0)01926 653090

12 May 2009

www.nationalgrid.com

Dear Sarah,

Re: CUSC Panel Meeting of 30th March 2009

I am writing to you as CUSC Amendments Panel Chair on behalf of the CUSC Amendments Panel in response to your letter dated 2nd April 2009.

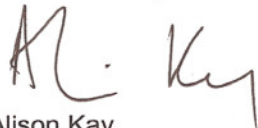
The Panel notes the comments in your letter and agrees it is vital that the process the CUSC Panel follows is robust and transparent at all times. Furthermore, the Panel does feel that it discharges its responsibilities in a reasonable manner and any decisions it makes, specifically in relation to the recent voting, are not taken lightly.

Following your letter, the CUSC Panel gave consideration to CUSC Amendment Proposal (CAP) 172 at the Panel meeting of 2nd April. CAP172 represents the CAP171 proposals with further justification of their differences when compared to other Pending Amendment Proposals. The Panel agreed by majority vote that CAP172 should be rejected under CUSC paragraph 8.15.4 on the basis that it has substantially the same effect as CAP166 WGAA3.

In your letter, you request the Panel to provide full written reasons for the decision taken on 30th March outlining why in the Panel's view CAP171 is substantively the same as the CAP166 WGAA3. The Panel feel such reasons are detailed in the minutes of meeting and as such, a copy of the Panel Meetings on 30th March and 3rd April are enclosed with this letter.

If you wish to discuss further please not hesitate to contact me.

Yours sincerely



Alison Kay
CUSC Panel Chair