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13<sup>th</sup> April 2006

Dear Robert,

**Indicative Notice of Revised NTS Entry Capacity Reserve and Step Prices**

Consistent with our licence obligations, National Grid NTS is hereby giving 150 days' notice of changes to the Entry Capacity Reserve and Step Prices to be used within the next Quarterly System Entry Capacity (QSEC) auction.

Reserve prices will increase in line with RPI, and step prices will be recalculated in accordance with the methodology set out in the Incremental Entry Capacity Release (IECR) statement.

Notice of the exact reserve and step prices to apply will be given two months in advance of the QSEC auction, which is currently planned for September 2006.

If you have any questions about this Indicative Notice please contact myself or Karin Elmhirst on 01926 655540.

Yours sincerely

Nigel Fox  
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