

THE ELECTRICITY ACT 1989 (AS AMENDED)

ELECTRICITY TRANSMISSION LICENCE

CONSENTS ISSUED TO THE NATIONAL GRID COMPANY PLC PURSUANT TO STANDARD LICENCE CONDITION C2 (PROHIBITED ACTIVITIES) AND SPECIAL LICENCE CONDITION AA3 (SUPPLEMENTARY PROHIBITED ACTIVITIES) OF THE ELECTRICITY TRANSMISSION LICENCE

By way of consents ("the original consents") dated October 15th and October 23rd 2002, copies of which are attached at appendix A, the Gas and Electricity Markets Authority ("the Authority") under and for the purposes only of paragraph 2 of Standard Condition C2 (Prohibited Activities) and paragraph 1 of Special Condition AA3 (Supplementary Prohibited Activities) of the electricity transmission licence ("the licence") treated as granted under section 6(1)(b) of the Electricity Act 1989 (as amended) ("the Act") to The National Grid Company plc ("the licensee") granted the original consents.

The original consents provided that they shall cease to have effect in relation to the arrangements in respect of any facility described in column 2 of Appendix 1 of those consents on the date specified in column 4 in respect of that facility or such later date as may be designated by the Authority.

Following a request by the licensee and for the reasons set out in the consultation document "National Grid Company's interest in Lattice Energy Services—Decision document, August 2003", the Authority hereby designates a new date upon which the original consents shall cease to have effect in relation to Lattice Energy Services facility at Cleveland. The duration of the original consents granted in respect of the facility at Cleveland is hereby extended to April 15th 2004 or the date of disposal of the generation facility at Cleveland, whichever is earlier.

Dated:

14/8/2003
.....
M. Frerk

Signed

Maxine Frerk

Duly authorised by the Gas and Electricity Markets Authority.

APPENDIX A

The original consents

The National Grid Company plc

THE ELECTRICITY ACT 1989 (AS AMENDED)

ELECTRICITY TRANSMISSION LICENCE

CONSENT ISSUED TO THE NATIONAL GRID COMPANY PLC PURSUANT TO SPECIAL CONDITION AA3 (SUPPLEMENTARY PROHIBITED ACTIVITIES) OF THE ELECTRICITY TRANSMISSION LICENCE

This consent is given by the Gas and Electricity Markets Authority ("the Authority") under and for the purpose only of paragraph 1 of Standard Condition AA3 (Supplementary Prohibited Activities) of the electricity transmission licence ("the licence") treated as granted under section 6(1)(b) of the Electricity Act 1989 (as amended) ("the Act") to The National Grid Company plc ("the licensee"). The consent takes effect on and from the date specified below.

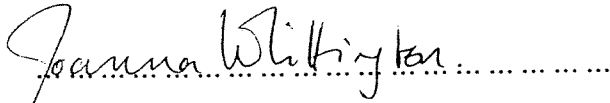
This consent is given at the request of the licensee in connection with the proposed merger of the licensee's ultimate controller, National Grid Group plc, with Lattice Group plc to create National Grid Transco plc. Certain subsidiaries of Lattice Group plc generate electricity and thereby purchase or otherwise acquire electricity for the purpose of sale or disposition to third parties.

The Authority hereby consents to those affiliates or related undertakings of the licensee referred to in Appendix 1 to this consent purchasing or otherwise acquiring electricity for the purpose of sale or other disposition to third parties subject to the terms set out below.

1. Each such purchase or other acquisition shall be one that is made under one of the arrangements referred to in Appendix 1 to this consent (each a "permitted acquisition").
2. This consent shall come into effect immediately upon the proposed merger between the National Grid Group plc and Lattice Group plc by a scheme of arrangement made under Section 425 of the Companies Act 1985 (as amended) coming into effect.
3. This consent shall cease to have effect in relation to the arrangements in respect of any facility described in column 2 of Appendix 1 on the date specified in column 4 in respect of that facility or such later date as may be designated by the Authority.
4. Any other consent or clearance required under statute or under the licence in respect of each permitted acquisition shall have been obtained.
5. The licensee shall ensure that all persons involved in the ownership, operation and management of each facility detailed in Appendix 1 shall not have access to any information about forecasting models or similar systems or information in any form used for the purpose of operating the transmission system and including, without limitation, any information relating to demand for or prices of electricity beyond the information which is otherwise available to all other generators of electricity of a similar size and nature to the entities detailed in Appendix 1; and

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6. The Authority may amend or revoke this consent in the light of any material change of circumstance and after giving reasonable notice to the licensee.
 7. Words or phrases in this consent which are defined for the purposes of the licence shall have the same meaning as in the licence.

Dated: 23 October 2002

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Joanna Whittington
Director, Strategy

Duly authorised by the Gas and Electricity Markets Authority.

APPENDIX 1 TO THE CONSENT GIVEN BY THE GAS AND ELECTRICITY
 MARKETS AUTHORITY ON 23 OCTOBER 2002 PURSUANT TO SPECIAL
 CONDITION AA3 OF THE ELECTRICITY TRANSMISSION LICENCE
 GRANTED TO THE NATIONAL GRID COMPANY PLC.

The arrangements are the purchase or other acquisition of electricity by any company referred to in column 1 below by generating electricity at any of its facilities listed in column 2 in relation to that company but only to the extent that such generation does not exceed the maximum capacity of that facility set out in column 3.

1	2	3	4
Company	Facility	Maximum Capacity	Duration of consent
Lattice Energy Services Ltd	Cleveland	22.4 MW	Disposal of generation facility at Cleveland or 15 October 2003 whichever is the earlier
	Hemel Hempstead	4.076 MW	Disposal of generation facility at Hemel Hempstead or 15 October 2003 whichever is the earlier
	Bristol	1.204 MW	Disposal of generation facility at Bristol or 15 October 2003 whichever is the earlier
Advantica Technologies Ltd	Loughborough	1.2 MW	Disposal of generation facility at Loughborough
Transco plc	St Mary Cray	1.0 MW	Disposal of generation facility at St Mary Cray
Transco plc	Isle of Grain	14 MW	Disposal of generation facility at Isle of Grain
Transco plc	Dynevor Arms	2.5 MW	Disposal of generation facility at Dynevor Arms
Transco plc	Partington	6.6 MW	Disposal of generation facility at Partington
Transco plc	Avonmouth	5.8 MW	Disposal of generation facility at Avonmouth

'Disposal' means any sale or other disposal other than a sale or disposal to an affiliate or related undertaking of the licensee.

The National Grid Company plc

THE ELECTRICITY ACT 1989 (AS AMENDED)

ELECTRICITY TRANSMISSION LICENCE

CONSENT ISSUED TO THE NATIONAL GRID COMPANY PLC PURSUANT TO STANDARD LICENCE CONDITION C2 (PROHIBITED ACTIVITIES) OF THE ELECTRICITY TRANSMISSION LICENCE

This consent is given by the Gas and Electricity Markets Authority ("the Authority") under and for the purpose only of paragraph 2 of Standard Condition C2 (Prohibited Activities) of the electricity transmission licence ("the licence") treated as granted under section 6(1)(b) of the Electricity Act 1989 (as amended) ("the Act") to The National Grid Company plc ("the licensee"). The consent takes effect on and from the date specified below.

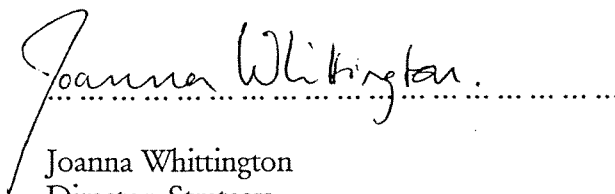
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The Authority hereby consents to those affiliates or related undertakings of the licensee referred to in Appendix 1 to this consent purchasing or otherwise acquiring electricity for the purpose of sale or other disposition to third parties subject to the terms set out below.

1. Each such purchase or other acquisition shall be one that is made under one of the arrangements referred to in Appendix 1 to this consent (each a "permitted acquisition").
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4. Any other consent or clearance required under statute or under the licence in respect of each permitted acquisition shall have been obtained.
5. The licensee shall ensure that all persons involved in the ownership, operation and management of each facility detailed in Appendix 1 shall not have access to any information about forecasting models or similar systems or information in any form used for the purpose of operating the transmission system and including, without limitation, any information relating to demand for or prices of electricity beyond the information which is otherwise available to all other generators of electricity of a similar size and nature to the entities detailed in Appendix 1; and

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6. The Authority may amend or revoke this consent in the light of any material change of circumstance and after giving reasonable notice to the licensee.
 7. Words or phrases in this consent which are defined for the purposes of the licence shall have the same meaning as in the licence.

Dated: 15 October 2002

A handwritten signature in cursive script, reading "Joanna Whittington", is written over a horizontal dotted line. The signature is positioned to the left of the line, with the tail of the letter 'n' extending downwards and to the left.

Joanna Whittington
Director, Strategy

Duly authorised by the Gas and Electricity Markets Authority.

APPENDIX 1 TO THE CONSENT GIVEN BY THE GAS AND ELECTRICITY MARKETS AUTHORITY ON 15 OCTOBER 2002 PURSUANT TO STANDARD CONDITION C2 OF THE ELECTRICITY TRANSMISSION LICENCE GRANTED TO THE NATIONAL GRID COMPANY PLC.

The arrangements are the purchase or other acquisition of electricity by any company referred to in column 1 below by generating electricity at any of its facilities listed in column 2 in relation to that company but only to the extent that such generation does not exceed the maximum capacity of that facility set out in column 3.

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