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28th July 2010

**Re: Wales & West Utilities (WWU) Shrinkage Assessment and Adjustment for
April 2009 – March 2010 (inclusive)**

Dear John,

The purpose of this document is to present the Wales & West Utilities assessment of LDZ Shrinkage for the 2009/10 Formula Year, in accordance with *Uniform Network Code (UNC) Transportation Principal Document (TPD) Section N 3.3.4*. This assessment covers the Formula Year 2009/10 consisting of the months of April 2009 through to March 2010 inclusive.

This document also advises Shippers of the LDZ Shrinkage Adjustment, and associated Commodity Charge Adjustment, covering the period 1 April 2009 to 31 March 2010, as referred to in *UNC TPD Section N 3.4.1*. The resulting LDZ Shrinkage Adjustment will require a reconciliation to be carried out in accordance with the LDZ Shrinkage Adjustment Methodology for the purposes of *UNC TPD Section E 7.6*.

The Assessment and Adjustment figures are set out on the tables below in Appendix A. The supporting documentation and detailed report will be alongside this letter on our own website and on the Joint Office of Gas Transporters website.

If you, or any interested parties, have any questions relating to this document then please do not hesitate in contacting me.

Yours sincerely

{By e-mail}

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24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro

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Appendix A

Table 1: Comparison of Assessed and Procured LDZ Shrinkage Quantities for 2009/10 Formula Year and the LDZ Shrinkage Reconciliation Quantity.

LDZ	Assessed LDZ Shrinkage Quantity (kWh)	Procured* LDZ Shrinkage Quantity (kWh)	LDZ Shrinkage Reconciliation Quantity (kWh)
SW	276,097,338	291,196,270	- 15,098,932
WN	59,960,648	64,268,105	- 4,307,457
WS	148,678,399	155,000,900	- 6,322,501
Total	484,736,384	510,465,275	- 25,728,891

* The procured LDZ Shrinkage has been based on the the LDZ Shrinkage Estimate for the 2009/10 Formula Year

Table 2: Financial Adjustment (Commodity & Transportation Charge) by LDZ for 2009/10 Formula Year .

LDZ	LDZ Shrinkage Reconciliation Quantity (kWh)	Associated Financial Adjustment Value (Energy)	Associated Financial Adjustment Value (Transportation)
SW	- 15,098,932	-£143,334.33	-£5,586.07
WN	- 4,307,457	-£40,890.74	-£1,593.61
WS	- 6,322,501	-£60,019.57	-£2,339.10
Total	- 25,728,891	-£244,244.64	-£9,518.77