



Mr. Bob Fletcher
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Your ref UNC Modification 0292
Our ref
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11th January 2011

UNC Modification Proposal 0292: “Proposed change to the AQ Review Amendment Tolerance for SSP sites”

Dear Bob,

npower would like to offer support for UNC Modification 0292.

npower believes that a reduction in the amendment tolerance will have beneficial effects in relation to correct allocation of gas, competition and Transporter network planning. npower supports an introduction of this modification in time for the 2012 AQ review.

Our expectation is that this will bring benefit to the industry and help to alleviate some of the inaccuracies the Small Supply Point market is currently operating under prior to any implementation of rolling AQ or other Nexus developments within volume allocation.

Shippers/Suppliers are facing increasing costs to supply consumers due to commercial and regulatory factors. In this climate, it is important to take advantage of all methods of better aligning costs and revenue. This modification will help us to mitigate this risk by bringing AQs more in line with customer consumption.

However, due to the short period between likely Authority approval and the submission of data to Shippers by xoserve this year, there is insufficient time to develop and test system changes. This has been driven mainly by late development of business rules and therefore their consequential impact on Shipper processes. Our view is that there would need to be some form of industry testing between market participants to ensure that files are processed by Xoserve in the agreed manner. npower believes, however, that an implementation date in time for the 2012 AQ review would allow Shippers to

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make necessary system and process changes, carry out any required testing and result in an equitable scenario for the industry.

We note that two versions of the business rules governing submission and capacity handling have been published and we are supportive of the version drafted by the Transporters. This is the most supportive of competition as it gives market participants fair access to the capacity available. However, we would support a full review of these at the end of the 2011 AQ review to assess if they performed as the Transporters expected.

Please contact me if you have any need of further information.

Kind Regards

Jonathan Wisdom

Dual Fuel Codes Manager
RWE npower
(Sent by e-mail so unsigned)

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