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21<sup>st</sup> January 2010

**Re: Wales & West Utilities (WWU) Shrinkage Assessment and Adjustment for  
October 2008 – March 2009 (inclusive)**

Dear John,

Further to our letter of 31<sup>st</sup> July 2009, we have further reviewed the shrinkage assessment for the period: 1<sup>st</sup> October 2008 to 31<sup>st</sup> March 2009. This document reflects the revised assessment for Wales & West Utilities. As stated previously, the Wales & West Utilities assessment of LDZ Shrinkage for the 2008/09 Formula Year has been adjusted to reflect 6 month period 1<sup>st</sup> October 2008 – 31<sup>st</sup> March 2009, in accordance with *Uniform Network Code (UNC) Transportation Principal Document (TPD) Section N 3.3.4*. This assessment covers the gas year 2008/09 consisting of the months of October 2008 through to March 2009 inclusive.

This document also advises Shippers of the LDZ Shrinkage Adjustment, and associated Commodity Charge Adjustment, covering the period 1 October 2008 to 31 March 2009, 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 is also published 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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Registered in England and Wales: No. 5046791

## Appendix A

**Table 1:** Comparison of Assessed and Procured LDZ Shrinkage Quantities for 2008/09 Formula Year (adjusted to reflect 6 month period 1<sup>st</sup> October 2008 – 31<sup>st</sup> March 2009) and the LDZ Shrinkage Reconciliation Quantity.

<b>LDZ</b>	<b>Assessed LDZ Shrinkage Quantity (kWh)</b>	<b>Procured* LDZ Shrinkage Quantity (kWh)</b>	<b>LDZ Shrinkage Reconciliation Quantity (kWh)</b>
<b>SW</b>	143,754,864	157,068,493	13,319,629
<b>WN</b>	34,551,051	34,555,068	4,017
<b>WS</b>	73,005,705	80,678,356	7,672,651
<b>Total</b>	<b>251,311,620</b>	<b>272,301,917</b>	<b>20,990,297</b>

\* The procured LDZ Shrinkage has been based on the the LDZ Shrinkage Estimate from February 2008 for the 2008/09 Gas Year

**Table 2:** Financial Adjustment (Commodity & Transportation Charge) by LDZ for 2008/09 formula year adjusted to reflect 6 month period 1<sup>st</sup> October 2008 – 31<sup>st</sup> March 2009

<b>LDZ</b>	<b>LDZ Shrinkage Reconciliation Quantity (kWh)</b>	<b>Associated Financial Adjustment Value (Energy)</b>	<b>Associated Financial Adjustment Value (Transportation)</b>
<b>SW</b>	-13,319,629	-£230,454.60	-£4,423.20
<b>WN</b>	-4,017	-£69.54	-£1.33
<b>WS</b>	-7,672,651	-£132,811.10	-£2,549.09
<b>Total</b>	<b>-20,990,297</b>	<b>-£363,335.24</b>	<b>-£6,973.62</b>