

Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3 QJ

Your ref UNC 0034
Our ref
Name Heidi Martin
Phone 01905 340404
E-Mail heidi.martin@npower.com

20th September 2005

Mod 0034 " Netting off of Payments and Credits relating to Transportation Charges"

Dear Julian,

Thank you for the opportunity to respond on Mod 0034. RWE npower would like to offer our support in respect of this proposal.

We agree with the proposer that current convention of paying the net sum of credit and debits within a single invoice should be extended to include all Invoice Types within the Uniform Network Code.

We share the concerns of the proposer that if these arrangements were to change and Distribution Network Operators decided to adopt differing practices Shippers would be faced with an increase in costs in having to deal with diverse processes. This was something that Ofgem were concerned about when the DN Sale was discussed and was one of the main reasons for the introduction of the Agency concept. Shipper's systems have been developed through the years with Transco to use this convention. If this convention were to change Shippers would incur significant costs in having to redevelop their systems.

We are surprised that Wales and West Utilities did not discuss this issue with Users before unilaterally introducing a process that is at odds with current industry practice. Whilst we appreciate that Wales and West Utilities will have to change their processes it is a problem entirely of their own making.

Should you have any queries with regard to this response we would be happy to discuss it further.

Yours sincerely
Heidi Martin
Gas Network Codes Analyst