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Friday 2 June 2006

Dear Tim

Response to UNC Modification Proposal 083: Proposal to insert obligations to process data received from iGTs in line with the requirements as outlined within Annex A of the Connected System Exit Point (CSEP) Network Exit Agreement (NExA)

E.ON UK support the implementation of Modification Proposal 083; the proposal to insert obligations to process data received from iGTs in line with the requirements as outlined within Annex A of the Connected System Exit Point (CSEP) Network Exit Agreement (NExA).

There are significant problems with the current industry arrangements regarding customers located on IGT networks. The Gas Forum produced a paper detailing these issues in 2005 and recently Energywatch have also issued a detailed report reinforcing there concerns with these issues. We believe that this proposal helps to start to address some of these issues.

The timely and accurate processing of information concerning customers connected to IGT networks is vital for the accuracy of gas allocations to all shippers operating in the RbD market. Doubt over the accuracy of gas allocations and the balancing of the system has serious implications for the competition between shippers and suppliers and therefore we believe that this proposal furthers the relevant objective defined within Standard Special Condition A11 1 (d) of the Uniform Network Code.

We also believe that it is in the interests of the gas distribution businesses to process information from IGT's concerning offtake from their networks. These networks are connected to the distribution businesses without the benefit of physical metering equipment. Without relevant accurate information being available to the distribution businesses in a timely manner it could be argued that they are unable to operate an efficient and economic pipe-line system. We therefore believe that this proposed

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Registered Office: Westwood Way Westwood Business Park Coventry CV4 8LG modification supports both Standard Special Condition A11 1 (a) and 1 (b) of the Uniform Network Code.

We do not believe that the obligations outlined in this proposal are onerous and in fact are we believe currently being met by the gas transporters agent, Xoserve, in the course of its normal operations.

Yours sincerely

Christiane Sykes Trading Arrangements Energy Wholesale E.ON UK 02476 424 737