

Tim Davis Joint Office of Gas Transporters 51 Homer Road Solihull West Midlands B91 3LT

Thursday, 23rd August 2007

Response to UNC Modification Proposal 167: Changes to Reconciliation Arrangements Under CSEP NExA

Dear Tim,

E.ON UK is in support of this Modification Proposal.

The underlying historic issue that this proposal attempts to address has been a problem for the industry for a very long time. We therefore support this move to address the historical position and let industry effort concentrate on resolving the ongoing issue with CSEP larger supply point reconciliation.

We agree with the proposer of this Modification that its implementation would allow reconciliation to be undertaken on a more accurate and equitable basis. This would minimise any cross subsidy that is currently occurring via the RbD process. It would also provide an opportunity to set up enduring monitoring of performance that could be more meaningful and useful.

For these reasons we believe that this proposal furthers the relevant objective Standard Special Condition A11.1 (d) in securing effective competition between relevant shippers, suppliers and DN operators.

Yours sincerely

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