

Mr. Tim Davis  
Joint Office of Gas Transporters  
First Floor South  
31 Homer Road  
Solihull  
West Midlands  
B91 3LT

Your ref  
Our ref  
Name Chris Hill  
Phone 0121 336 5224  
Fax  
E-Mail christian.hill@rwenpower.com

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**Re: Proposed UNC Modification Proposal 0224: "Facilitating the Use of AMR in the Daily Metered Elective Regime"**

Dear Tim,

RWE Npower supports the above Proposed UNC Modification.

We agree that the market should benefit from the more accurate and timely consumption information which increased AMR metering should provide, both from the point of view of reduced reconciliation risk and more accurate demand forecasts as the additional daily consumption information which would be made available should allow the Transporters a more useful and up to date view of the network as a whole. Consumers are also likely to benefit from the new product offerings which Elective Daily Metering should facilitate. It is additionally possible that the implementation of the Proposed Modification may expedite a more rapid spread of AMR metering to the SSP sector thus enabling all consumers to benefit from this technology.

However, despite these advantages, it appears that a likely disadvantage of this proposal is the potential reduction in the number of supply points available for NDM demand modelling which is also likely to be accompanied by a rise in the cost of managing this.

Nevertheless, we consider that the benefits which will derive to the market as a whole from the implementation of the Proposed Modification are greater than the disadvantages laid out above.

We concur with the Proposer's methodology whereby eligible Meter Points within higher EUC bands pay a greater proportion of the fixed charges related to development than those within lower EUC bands as we feel that these higher bands are likely to be the area where takeup of the service is concentrated. We also feel it is important that central system change development costs be socialised across all eligible LSP meter points in order to avoid any player acquiring a "free ride" in this respect. Conversely, it seems appropriate that Transaction and Incentive Charges are applied only to those Meter Points who take up the Elective Daily Metered service rather than being spread across all Meter Points as this will be reflective of actual usage.

We feel that it is preferable to proceed with the additional level of service as detailed in the cost estimates provided by Xoserve as there appears to be little difference between

  
Oak House  
Widgwater Road  
Worcester WR4 9FP  
T +44 (0)1905/34 05 21  
F +44 (0)1905/34 04 88  
I www.npower.com

Registered office:  
Npower Limited  
Windmill Hill Business  
Park  
Whitehill Way  
Swindon  
Wiltshire SN5 6PB

Registered in England  
and Wales no. 3653277

this and the projected costs for the base service. However, we also feel that it would be useful for Xoserve to carry out a testing phase with Shipper involvement in order to ensure that any potential problems can be dealt with before the new regime takes effect in the eventuality that the Proposed Modification is implemented by the Authority.

If you wish to discuss any points raised in this response further, please do not hesitate to contact me.

Regards,

Chris Hill

Gas Codes Analyst