



John Bradley
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9th February 2009

Dear John,

Re: UNC Modification Proposals 0230 & 0230AV - Amendment to the QSEC and AMSEC Auction Timetables

E.ON UK **supports** implementation of Modification Proposal 230AV.

We do **not support** Modification Proposal 0230. Our reasons for not supporting this proposal have not changed since our last written representation.

In summary, we believe the main advantages of Mod 0230AV over Mod 2030 are:

- Ensures a “User-friendly” transition to the new auction structure by maintaining regular opportunities for securing long term entry capacity rights (primarily by retaining a September 2009 QSEC).
- By shortening the transaction period for AMSEC auction, resolves a current pricing issue whereby the same entry capacity period is potentially offered at different prices in two different auctions. If Mod 0230 were to be implemented, the current, deficient arrangements would prevail on an enduring basis.
- Retains the AMSEC in February each year (instead of moving it to June), where it is of most use and value to Shipper Users; particularly in regard of shaping capacity holdings to accommodate NTS maintenance plans for the year ahead.

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We believe Modification Proposal 230AV now reflects the consensus of the Industry on the most suitable structure for UK “long-term” entry capacity auctions. The proposal was improved following work with National Grid NTS and detailed discussion at a Transmission Workstream. For clarity, we have nothing further to add in respect of the extent to which Mod 0230AV better facilitates achievement of the relevant objectives, than is already detailed in the proposal.

Additional Notes

As proposer, we would like to take the opportunity to highlight and correct a typographical error in Modification Proposal 0230AV. In the illustrative table featured on page 2 of the proposal, it currently states:

Auction	Capacity being offered
February 2009 AMSEC	April 2009 - March 2011
September 2009 QSEC	April 2010 - March 2025
February 2010 AMSEC	April 2010 - September 2011
March 2010 QSEC	October 2011 - September 2026
February 2011 AMSEC	April 2011 - September 2012
March 2011 QSEC	October 2012 - September 2027

More correctly, the table should state (change highlighted in yellow):

Auction	Capacity being offered
February 2009 AMSEC	April 2009 - March 2011
September 2009 QSEC	April 2011 - March 2026
February 2010 AMSEC	April 2010 - September 2011
March 2010 QSEC	October 2011 - September 2026
February 2011 AMSEC	April 2011 - September 2012
March 2011 QSEC	October 2012 - September 2027

We believe this correction does not change the intention of the Mod, since the table was meant purely for illustrative purposes only. We would like to make it clear that it is the *illustrative example* which is in error, not the detail of the proposal. However, we felt that it was in the spirit of good governance to highlight and correct the error as part of the written representation stage to ensure all parties are clear about the impact of the proposal.



Yours sincerely

Richard Fairholme (by email)
Trading Arrangements
E.ON UK