

"Buckleton, Scott (Maidenhead) UK" <Scott.Buckleton@han son.biz> Distribution List Not Shown Subject: UNC Modification 0244 Proposal - Response from Hanson UK

24/04/2009 12:54

Hanson UK and Heidelberg Cement confirms its support for UNC Modification 0244

In 2007 Hanson and associated companies consumed over 2.5TWH of gas spread over many interruptible supply points across the UK. Due to recent trading conditions within the construction industry, we have witnessed a widespread reduction in gas consumption.

Under the current DNO 95:5 capacity/commodity split arrangements we find ourselves with the dilemma of either paying the high capacity charges until the gas is required again or having the capacity removed and isolated completely, with the possibility of it not being available when next needed. At present these capacity charges represent a much higher proportion of our overall gas expenditure than in previous years The current AQ/SOQ and BSSOQ for the majority of our sites is now highly inaccurate and this

modification would allow us to amend them to more realistic levels, thus aiding the more accurate booking of capacity at the NTS and relevant LDZ.

The capacity situation in the UK has become more comfortable due to a reduction in overall demand; therefore we feel it is inappropriate and unrealistic to charge these high capacity charges under current conditions.

Hanson UK, as well as other industrial customers, wants to be in the best possible position to deal with the current economic climate whist being ready to respond to any recovery in the future. Modification 0244 would help towards this.

This letter confirms our full support for UNC Modification 0244.

Please contact me if you have any questions or queries.

Regards,

Scott Buckleton UK Energy Purchasing Manager Hanson UK Heidelberg Cement Group

Hanson UK HeidelbergCement Group Hanson House 14 Castle Hill Maidenhead Berkshire SL6 4JJ

 Tel
 +44 (0)1628 774126

 Mobile:
 +44 (0)7802 509739

 Fax
 +44 (0)1628 774234

 scott.buckleton@hanson.biz

 www.hanson.com

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