

Dear Tim

Saint-Gobain UK confirms its support for UNC Modification 0244.

We have a number of energy intensive plants across the country, in 2007 consuming close to 2TWh of gas. As many sites are involved in the construction industry, they have been severely affected by the economic downturn such that they are now consuming approximately 35% less gas.

Prior to the alteration of DNO charges to the current 95/5 capacity/commodity split, our large DM sites would have benefited from reduced charges with the reduced offtake of gas. Of course we have no access to that arrangement now, and the only alternative to paying the high capacity charges is to isolate supply and vacate sites completely. As we do anticipate eventually recovering from these economic conditions, this is not the course we choose to take, and so we find ourselves paying very high capacity charges even though our gas consumption is considerably below threshold levels.

Modification 0244 would allow our shipper to reduce the DM AQs, SOQs and BSSOQs to more realistic levels at the time that this change is required, and not, as in the current regime, up to 18 months after the event.

This modification 0244 would also have the benefit of allowing shippers to comply with UNC requirements that the AQ should represent a reasonable assumption as to the quantity of gas offtaken. Appropriate AQs, SOQs and BSSOQs that reflect actual usage would enable GDNs to book an appropriate levels of NTS Exit Capacity required for the consumers in their system.

I trust that this note is sufficient to register our support for this Modification. If you require any further information, please don't hesitate to contact me in the first instance.

With kindest regards

Linda Burgess

*Linda Burgess
UK Energy Purchasing Manager
Saint-Gobain UK*