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Malcolm Arthur Gas Codes Development Manager National Grid House Warwick Technology Park Gallows Hill, Warwick CV34 6DA

27 January 2011

Dear Malcolm,

## RE: Inter-day Linepack Product consultation paper – 'Open Letter'

E.ON welcomes this opportunity for Shippers to express their levels of interest in a potential National Grid NTS "Linepack Product", as proposed by UNC Modification Proposal 0337.

We are able to confirm that having reviewed both the relevant UNC Modification Proposal and accompanying draft methodology statement, a National Grid NTS "Linepack Product" is <u>not</u> a service we see benefits from using. The uncertainty of volumes to be made available and excessive discretion able to be applied by National Grid NTS are specific problems which make the service inferior to our existing sources of flexibility.

Consequently, we do not believe it is effective use of industry time or money to continue with development of this product. We consider that Shippers are best placed to develop and invest in sources of flexibility and will continue to do so as and when their operational needs require.

Finally, if National Grid NTS chooses to pursue implementation of the linepack product, the cost of the service must be targeted only at the Users of service and not socialised across all Shippers.

I hope that the above comments prove useful. Should you wish to discuss our response in any further detail, please do not hesitate to contact me on T: 02476 181421.

E.ON UK plc

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Yours sincerely,

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