



Andrew Fox
National Grid
National Grid House
Gallows Hill
Warwick
CV34 6DA

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
West Midlands
CV4 8LG
www.eon-uk.com

Richard Fairholme
T: +44 (0)2476 181421

richard.fairholme@eon-uk.com

Friday, 15 August 2008

Dear Andrew,

RE: NTS Exit Capacity Release Methodology Statement in respect of the Transitional Period

E.ON UK supports the changes proposed to the NTS Exit Capacity Release Methodology Statement in respect of the Transitional Period. We believe that the proposed amendments substantially address Shipper concerns that were raised in the recent UNC Modification Proposal 214; to provide a means by which NTS exit capacity can be secured more than six months ahead of time where it can be demonstrated that there is a need for the capacity but National Grid does not need to invest to provide that capacity. In doing so, we believe the proposed changes largely address the potential inconsistency between how Shipper Users register capacity under the UNC and how National Grid may allocate capacity under the ExCR.

However, we note that the proposed changes to the ExCR include a 20 mtpa threshold. This appears inconsistent with the intention behind UNC Mod 214, which was to remove this limit. As Shipper Users could be competing for existing exit capacity with DNs we consider it may be desirable to consider removing this threshold to ensure equal treatment of all DN and direct connect customer off-take requests, thereby avoiding potential undue discrimination.

I hope you find these comments useful in informing the way forward on this issue, but if you wish to discuss them in any more detail, please do not hesitate to contact me.

Yours sincerely

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