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Dear Bob,

RE: Modification Proposal 0290 - To facilitate the release of Additional NTS Exit (Flat) Capacity at National Grid NTS's discretion

E.ON UK does **not support** implementation of this Proposal. We consider that any proposal seeking to extend National Grid's already generous "discretion" in respect of capacity release is wholly inappropriate. Discretionary release of capacity fundamentally undermines the significance of capacity baselines. Whilst this proposal may permit release of potentially useful amounts of capacity at the margin, the adverse impact on regulatory and commercial certainty is far more significant to the health of the wholesale market.

If NTS Exit Capacity Baselines are the real source of the problem, these should be properly reviewed, rather than seeking a 'workaround' which relies entirely on the discretion of National Grid NTS and which Shipper Users will be in a very poor position to challenge. Instead, we advocate a robust, rules-based approach to capacity release, which this Proposal unfortunately does not support.

Yours sincerely,

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