

**Representation For.0005(0726)**

"Provision of a Guarantee of Pressure for Meter Points operating above 21 mbar by  
the Relevant Transporter"

Version 1.0

Wednesday 10 August 2005

Dear Tim

E.ON UK firmly supports implementation of this proposal as an essential modification to provide assurances that consumer's sites can be supplied at a suitable pressure.

For customers, which are currently supplied at enhanced pressure and have been, possibly for many years, the consequences of losing this service could potentially be devastating. At best, it would probably result in the need to install very expensive new equipment and at worst, in the closure of an industrial or commercial facility.

Transco have not only installed the equipment to deliver enhanced pressure but in many, if not all cases, the consumer has contributed to the cost of this equipment. To our knowledge, at no point have Transco approached shippers to request that they formalise this arrangement via an ancillary agreement other than for very large loads, via a NExA.

Any removal of the service would depend upon engineering criteria and would almost certainly be discriminatory and anti-competitive, potentially closing down vast tracts of British industry.

The Relevant Transporter has a duty to make gas available for offtake. Should the service be removed and the consumer finds that they have no alternative means of pressure enhancement, for example, no suitable electricity supply for compression facilities, then the transporter would be effectively removing the offtake availability.

We believe this modification proposal facilitates the following relevant objectives:

(a) the efficient and economic operation of the pipeline system. If this proposal is not implemented, the situation would arise where, in order to ensure certainty of supply, consumers requiring pressure above 21 mbar would need to install compression facilities. This would increase the overall cost to the consumer of having gas conveyed to their premises. In addition, if the network is operated at reduced pressure, in order to maintain volume flow rate, avoid unacceptable velocities and prevent nuisance shut down of consumer's compression equipment, it is likely that the network pipelines would have to be increased in size, increasing costs for all Users.

(d) the securing of effective competition between relevant shippers and between relevant suppliers, through ensuring suppliers with enhanced pressure requirements can continue to meet their supply contracts and that enhanced pressure services continue to be made available on a non-discriminatory basis.

We look forward to the timely implementation of this proposal to ensure that existing customers, who require enhanced pressure, are given certainty that they will be able to maintain supplies going forward.

Yours sincerely

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