



Tim Davis  
Chief Executive  
Joint Office of Gas Transporters  
51 Homer Road  
Solihull  
West Midlands  
B91 3QJ

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

Wednesday 18 May 2005

**Response to UNC Modification Proposal 0018 Transitional arrangements for the review and calculation of Annual Quantities for Gas Years 2005/6, 2006/7, 2007/8, 2008/9**

Dear Tim

E.ON UK offer qualified support for this proposal. Using the revised WAALP data for future AQ Reviews and Appeals will ensure that the values accurately reflect consumption at sites, taking into consideration the effects of global warming.

Our key concern with this proposal, however, is that it could potentially lead to a higher than usual number of AQ rolling over as a result of the backstop date being set at 01/10/2002. In terms of threshold crossers and LSPs, we are able to appeal any affected sites throughout the course of the year and when meter readings come through. In terms of SSPs though, this is not an option.

Transco are currently unable to predict how many additional sites will roll over as a direct result of this proposal. In order to give the industry more confidence with regards to this, in the event that the proposal is implemented, we would request that Transco report additional sites, which roll over. Should the number be significantly higher than usual, we believe there is a case for amending the Appeals process to correct the AQ of the SSPs. It is on this assumption that Transco commit to writing such a report post implementation of the proposal, that we would support implementation.

Please feel free to contact me on the number below if you wish to discuss any of the issues raised in our response.

Yours sincerely

Christiane Sykes  
Trading Arrangements  
Energy Wholesale  
02476 424 737

E.ON UK plc  
Registered in  
England and Wales  
No 2366970  
Registered Office:  
Westwood Way  
Westwood Business Park  
Coventry CV4 8LG