

Julian Majdanski
Joint Office of Gas Transporters

Your ref
Our ref
Name Stephen Rose
Phone 01793 892068
Fax 01793 892981
E-Mail stephen.rose@rwenpower.com

21st November 2006

Modification Proposal 0120 - "Introduction of an SO Commodity Charge for NTS Storage Exit Flows"

Dear Julian,

RWE npower offers its qualified support for this modification proposal.

In our opinion this modification proposal is simply acting as an enabler for a Storage SO Commodity Charge to be applied to storage exit flows (storage entry flows already being provided for in the Uniform Network Code but not currently applied) in the event Ofgem does not veto National Grid NTS's Pricing Consultation NTS GCM03.

If the proposal goes ahead, having satisfied the relevant methodology objectives in National Grid NTS's licence, it should be consistent with the relevant objective under the UNC to facilitate the achievement of the efficient discharge of the licensee's obligations under the licence. In such circumstances we would support the modification proposal regardless of whether we agreed with Ofgem's decision not to veto the pricing consultation.

However, if Ofgem were to veto the pricing consultation such that a Storage SO Commodity Charge (or any SO Commodity Charge) would not apply to exit flows we would not support the modification proposal. This is because it is likely to require shippers to set up a separate charge code, or modify the existing SO Commodity charge code, in their settlement systems (which will incur cost) to provide for the possible introduction of such a charge in future which may never occur.

Yours sincerely,

Steve Rose
Economic Regulation

RWE npower

Trigonos
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.rwenpower.com

Registered office:
RWE Npower plc
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 3892782

Sent by e-mail and therefore not signed