



Tim Davis
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ

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

Alexandra Campbell
Tel: 02476 182332
Alexandra.campbell@eon-uk.com

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Dear Tim,

RE: Modification Proposal 0139 / 0139A – Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period

Thank you for the opportunity to respond to the above Modification Proposal and alternative. E.ON UK supports both Modification Proposals 139 and 139A.

We agree that implementation of proposal 139, introducing formal dialogue between National Grid NTS and DNOs before capacity allocations are finalised, is likely to improve efficiency and administration of the current capacity allocation process. This better facilitates the relevant objectives SSC A11.1:

- (a) the efficient and economic operation of the pipe-line system to which this licence relates;
- (b) so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of (i) the combined pipe-line system, and / or (ii) the pipe-line system of one or more other relevant gas transporters;
- (f) so far as is consistent with sub-paragraph (a) to (e), the promotion of efficiency in the implementation and administration of the network code and / or the uniform network code.

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No 2366970
Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

However, we also believe that additional benefits could be realised if National Grid were to provide the results of the allocation process to all Users, as proposed in 139A. Greater transparency of information made available to all offtake Users encourages competition between Users and therefore we believe that Mod 139A better facilitates the relevant objectives than Mod 139.

If you have any questions or queries regarding this response, please do not hesitate to contact me.

Yours sincerely

Alexandra Campbell (by email)
Trading Arrangements
E.ON UK