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Response to UNC Modification Proposals 0185 & 0185A : Meter Error Notification Guidelines

Dear Tim

Review Group 0131 addressed a number of concerns shared by RbD shippers over the way that offtake meter errors are dealt with. Discussions within the group were necessarily detailed but did achieve meaningful outcomes illustrated by both these proposals.

The key aspects were the desire by shippers to see introduced pro-active and transparent processes that would enable them to prepare for material value reconciliations as a consequence of offtake meter errors.

Review Group 0131 did not address the underlying causes of the errors themselves however it is hoped that GDN's will take steps to promote the degree of technical assurance clearly required for such meter installations. It is also hoped that this will be done in the same transparent manner that has been promoted via 0131 and these Modification Proposals in relation to error notification.

We welcome both proposals and note that the differences between them reflect the different views expressed during 0131 discussions primary between shipper and transporter representatives.

Of the two we believe that Proposal 0185 Guidelines better address two main shipper concerns; 1) that the investigation of the error and compilation of the Meter Error Report which forms the basis of the error evaluation is carried out by a Technical Expert who is demonstrably independent; and 2) that any RbD shipper who is materially affected by errors falling within the defined energy value criterion is able to trigger the process.

Proposal 0185 Guidelines include provision for the appointment of an Independent Technical Expert "*....who is not in the direct employment of either the upstream or downstream transporter.....*"

We believe that this provision goes some way to ensuring the independence of the 'Expert' It should be noted that this does not exclude employees of associated but independent companies e.g. with shared parent company but with clear operating boundaries.

Proposal 0185A Guidelines require Users wishing to trigger the process to be "*.....Panel Members or their nominated alternates.....*" Whilst this may fit more easily within governance procedures it does not give much comfort to a non- Panel Member who may face a large reconciliation, specifically but not limited to a new market entrant. Proposal 0185 overcomes this by proposing that "*.....two or more legally separate companies who are registered as Users determine it to be so.....*"

Consequently E.ON UK supports Modification Proposal 0185 but only gives qualified support to Modification Proposal 0185A.

Yours sincerely

Brian Durber (by email)
Retail Regulation