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August 12, 2008

**Re: Proposed UNC Modification 0192: "Introduction of DNO Obligations to Facilitate the Resolution of Unresolved USRVs"**

Dear Julian,

On behalf of RWE npower I would like to thank you for the opportunity to respond on Modification Proposal 192 'Introduction of DNO obligations to facilitate the resolution of unresolved USRVs'.

Review Group 158 'Review of User Suppressed Reconciliation Arrangements' was formed to discuss ways to prevent the 'time out' of unresolved USRVs due to the implementation of Mod 152V on 1st April 2008.

Mod 158's main objective was to come up with a workable solution to prevent the 'time out' of USRVs. Following several months of deliberations and discussions, the 158 Review Group concluded and recommended in its final report that the obligation of resolving USRVs once a backstop is reached should be with the DNOs and its agent, xoserve, would carry out the administrative duties.

The Report further stated that a User will have up to thirty months starting from the date a USRV is created to resolve it before xoserve takes over from which point it will be chargeable under the User Pays arrangement.

RWE npower supports the implementation of Mod 192. We believe it would help to improve a prompt response to the resolution of USRVs and in turn promote a near as accurate allocation of energy and transportation charges. We also believe that the introduction into the UNC of the provisions contained within this Draft Mod would encourage shippers in wanting to resolve USRVs before the proposed 'backstop' is reached, which in turn should aid in the smooth resolution of all outstanding USRVs, thus avoiding the impact of 152V cut-off invoicing period.

Our only concern, without a legal text available at present is around the clarification of when xoserve can assume responsibility of resolving USRVs. It was noted in the Draft Mod Report that "At the point when DNO commences the resolution of the USRV (with effect from the 30<sup>th</sup> USRV month) the service would become chargeable regardless of whether the User resolves the USRV after this point" – our concern is, can xoserve only assume responsibility after the 'backstop' (i.e. from the 30<sup>th</sup> month from USRV been created) or could a User elect to pass it onto xoserve before the 30<sup>th</sup> month is reached and a User pays the indicative fee accordingly?

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In spite of the above, we agree with the contents of the Draft Mod Report and the Business Rules highlighting the proposed indicative charges to be included in the Agency Charging Statement for the User Pays Arrangements. However, we would welcome a review of the charges possibly annually to monitor and determine whether the charges are reflective of the services provided by xoserve.

Should you wish to discuss any of the above please do not hesitate to contact me.

Regards,

Sham Afonja

Gas Codes & Agreements Analyst