

Julian Majdanski Joint Office of Gas Transporters First Floor South 31 Homer Road Solihull West Midlands B91 3LT

9 May 2008

Response to UNC Modification Proposal 0203 : Revision to DN Shrinkage Regime

Dear Julian

We acknowledge the need for the alignment of UNC , with changes made by Ofgem to replace throughput related Shrinkage Factors with fixed volume allowances.

Given that around 95% of shrinkage is leakage it clearly makes sense to use volume and pressure rather than throughput which itself doesn't seem to relate to leakage other than in a notional way.

We do not however see why vent gas should be re-classified from 'own use gas' to 'un-accounted for gas'. Apart from when it occurs under fault conditions, venting is part of the DN's controllable operations and must therefore be own use regardless of whether or not it is burned. Indeed fault conditions are more or less likely to occur dependant upon appropriate maintenance schedules and as such are arguably also part of controllable operations.

Given the nature of planned venting it seems likely that reasonably accurate estimates of the volumes released can made or even measured and controls put in place to minimise them. They are therefore to a degree quantifiable and can be accounted for.

E.ON UK therefore does not support this proposal.

Yours sincerely Brian Durber (by email) Retail Regulation E.ON UK plc

Newstead Court Sherwood Park Little Oak Drive Annesley Nottinghamshire NG15 0DR

www.eon-uk.com

Please respond to: Brian Durber Tel: 01538 386923 Mob: 07768 031942

Brian.durber@eonenergy.com