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June 8, 2007

Dear Jan,

RE: NTS GCM 07 / 08: Introduction of an NTS Entry Capacity Transfer / Trade Application Fee

We would support the introduction of a zero application fee for any transfer and trade processes. Given the difficulty associated with deriving a cost-reflective fee which does not discourage Users from participating in the process(es), but equally does not encourage some Users from raising purely speculative transfer / trade requests (as per Mods 0150 / 0151) is inherently complex and for the purposes of simplicity, transparency and competition between shippers, we agree that an application fee of zero should apply.

We would not automatically rule out an application fee in future, but whether it was appropriate would depend ultimately both on the detail of the UNC Modification Proposal that was implemented and the final Licence Obligation (yet to be published). The situation may need to be reviewed accordingly.

If you have questions or queries in relation to any of the issues covered by this response, please do not hesitate to contact me on 02476 181421.

Yours sincerely

Richard Fairholme (by email) Trading Arrangements E.ON UK E.ON UK plc

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