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**NTS GCM 10: TO Entry Commodity Rebate Mechanism
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Dear Eddie,

We welcome the opportunity to comment on the issues raised in this discussion paper. This response reflects the views of RWE npower and the UK based business of RWE Trading GmbH.

We support the approach set out under GCM10 and agree that it represents a positive additional step towards addressing the acknowledged weaknesses in the current arrangements. It recognises that, in practice, the current mechanism will not redistribute the full over-recovery where buy-back costs are lower than the over-recovery amount. In this case, any residual over-recovery will feed into K and adjust all TO gas transportation charges during the following formula year. We believe that this residual amount should be targeted back to entry capacity holders and that the GCM10 methodology is an appropriate mechanism to achieve this. In particular, we endorse the definitions of the trigger and the mechanism itself.

We hope these views are helpful and if you wish to discuss them further please contact Steve Rose on 01793 892068 or myself on 01793 893983.

Yours sincerely,

By Email so unsigned

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