

Andrew Fox
National Grid
UKT Commercial
Gas Access and Charging
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

Your ref
Our ref
Name **Stephen Rose**
Phone **01793 892068**
Fax **01793 892981**
E-Mail **stephen.rose@rwenpower.com**

8th February 2007

Consultation on "The Entry Capacity Transfer and Trade Methodology Statement"

Dear Andrew,

RWE Npower welcomes the opportunity to comment on the above and does so on behalf of all its licensed gas shipping businesses and the GB shipping activity of RWE Trading GmbH.

We recognise that the methodology used to determine the exchange rates applied to transfers and trades of entry capacity between donor and recipient ASEPs is complex, and is heavily dependent on National Grid's interpretation of their obligation to avoid material increases in cost. We have no specific issues with the methodology itself but with this in mind, we believe it is imperative that National Grid provide a reasonable degree of transparency about any assumptions they have made in the event they cannot facilitate transfers and trades for this reason.

We also think it would be helpful to industry participants, at least in the first instance, if National Grid publish brief details of the relevant assumptions they have made and how the methodology was followed in calculating the specific exchange rates used in any inter nodal transfers or trades allocated. This should, over time, better familiarise shippers with how the methodology will be applied in practice and give them confidence that the methodology is indeed allocating unsold and surrendered entry capacity efficiently.

Yours sincerely,

Steve Rose
Economic Regulation

Sent by e-mail and therefore not signed

RWE npower

Trigonos
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.rwenpower.com

Registered office:
RWE Npower plc
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 3892782