

Shell Gas Direct Limited



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Dear Peter

Gas Quality – Wet Gas Administration Scheme

I refer to the above Initial Proposals document published by Ofgem in September. In this document, Ofgem outlines the current arrangements, considers three ways of taking the scheme forward and recommends that the third option, discontinuing the current scheme, is adopted.

Shell Gas Direct supports Ofgem's recommendation. We agree that the current scheme is costly and, furthermore, that any replacement is also likely to increase costs to customers overall. Discontinuing the scheme takes into account technical developments in the gas industry, notably the increased use of plastic pipes which should reduce the level of water ingress in any case.

If you would like to discuss any of the above, please do not hesitate to contact me on the above telephone number.

Yours sincerely

Tanya Morrison

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