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Friday, 4th May 2007

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Supply Licence Review - Domestic Supply Security Standards

Dear Steve,

Thank you for your letter of 27th April regarding the potential removal of paragraphs 3 to 6 of the existing standard licence condition (SLC) 32A (Security of Supply – Domestic Customers) of the gas supply licence.

Our views with regard to the need for this licence condition have not changed since our response to your earlier consultations on this matter. We continue to believe that these obligations no longer fulfil a useful purpose. The industry framework and in particular the obligations elsewhere within the Supplier licence, the gas Shipper's licence and within the Uniform Network Code result in these requirements being unnecessary.

Continuing to keep these obligations within the Supply Licence would not address any of the concerns raised by National Grid and nor do we believe they would promote in anyway the additional security of gas supplies. The removal of the redundant elements of the current licence is a primary objective of the Supply Licence Review and is in keeping with the principles of Better Regulation.

We would therefore continue to support the removal of the relevant sections of the existing SLC 32A in the revised Supply Licence.

Yours sincerely

Alex Travell Retail Regulation E.ON UK E.ON UK plc

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