

Peter Dickinson Technical Advisor Office of Gas and Electricity Markets 9 Millbank London SW1P 3GE

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Your ref Our ref

Name Simon Howe Phone 01905 340770 Fax 01905 340487

E-Mail Simon. Howe@npower.com

Gas Quality - Wet Gas Administration Scheme - Initial Proposals

Dear Peter

RWE npower welcome the opportunity to respond to the Initial Proposals of the Wet Gas Administration Scheme that was published on 24th September 2004. These comments incorporate the views of RWE npower and RWE Innogy.

The current scheme (option 1) applies a standard/nominal adjustment to all meter points downstream of an identified ingress and therefore fails to reflect the actual change in CV. Considering that 60% of customers' bills are not protected by wet gas testing it is our view that the incumbent arrangements are inadequate.

The improvements to consumers' bills that option 2 would deliver are offset by the prohibitive costs that such an Alternative scheme would incur.

RWE npower concur with Ofgem's pragmatic approach to this issue and fully support option 3 and the discontinuance of wet gas administration.

We hope that these comments are helpful and would be happy to discuss these matters further.

Yours sincerely

Simon Howe
Gas Network Codes Manager

npower

Oak House Bridgwater Road Worcester WR4 9FF

T +44 (0)1905/34 05 21 F +44 (0)1905/34 04 88

I www.npower.com

Registered office:
Npower Limited
Windmill Hill Business
Park
Whitehill Way

Wiltshire SN5 6PB



