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Dear Steve

Supply Licence Review: Consequential modification to special standard condition A11 (Network Code and Uniform Network Code) of the NTS and DN licences and standard condition 9 (Network Code) of the Gas Transporters Licence

In your open letter dated 27<sup>th</sup> April 2007, you asked for views on the proposed consequential modification to Standard Special Condition (SSC) A11 of the NTS and DNs' gas transporter licences.

As we understand it, the purpose of the consequential change is to maintain the definition of "domestic supply security standards" to which that condition refers. This is currently contained in Standard Licence Condition (SLC) 32A of the gas supply licence and Ofgem have proposed to remove it as part of the Supply Licence Review.

We agree with Ofgem that the proposal to change SSC A11 as described should not result in any change to the intent of the current obligations under that condition; rather it would facilitate the continued application of them. Therefore, we would see no reason at this stage to object to the proposal should the proposed modification to SLC 32A be implemented.

Yours sincerely

Rob McDonald Director of Regulation