

**Appendix 1: LETTER CONTAINING ASSURANCES IN RESPECT OF
GAS SUPPLY LICENCE CONDITION 17**

Michael Knowles
Head of Enforcement
Ofgem
9 Millbank
London
SW1P 3GE

13 April 2004

Dear Michael

**Assurances re SLC 17 of the Gas Suppliers Licences of various RWE Innogy
subsidiaries**

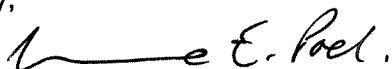
Following our previous discussions and meetings with you on this issue, in particular your letter of 16 March 2004, I write to re-affirm our commitment to addressing the issues identified in respect of SLC 17 as soon as possible.

In particular, I confirm that each of the relevant licence holders in the RWE Innogy group¹ will by 30 September 2004:

1. Undertake a comprehensive review of all meters that as at 1 March 2004 had not been inspected for a period of over two years, and remain unread²;
2. As regards the meters referred to in paragraph 1 above, use all reasonable endeavours to:
 - (a) seek access to inspect the meter, including, where necessary, seeking a warrant to gain access to the premises, provided however that a warrant shall only be sought where it is practical to do so and where the relevant sensitivities can be accommodated; or
 - (b) identify and fully explain in each case to Ofgem where there are any genuine and specific exceptions.

I confirm that we will provide a final report on each of the above assurances by 31 October 2004.

Yours sincerely,



Laurence Poel
Head of Economic Regulation

¹ The relevant licensees are:
Npower Direct Ltd
Npower Gas Ltd
Npower Yorkshire Ltd (YE Gas Ltd)
Npower Northern Ltd

² The relevant numbers were first reported to Ofgem in a letter dated 2 March 2004 and will be updated by 2 April 2004.