

06 January 2006

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UNC Modifications Secretary  
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Dear Julian

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**Uniform Network Code Modification Proposal 0054 and 0054a –  
Emergency Curtailment Quantity (ECQ) Methodology Statement**

Thank you for the opportunity to respond to the above modification proposals.

Gaz de France ESS supports the implementation of modification proposal 0054a and offers comments on modification proposal 0054.

**Mod 0054**

Gaz de France ESS agrees with the principal that the ECQ methodology should be a common process which transporters follow; any divergence would cause confusion and add costs to shippers and customers.

The calculation of the ECQ has significant commercial impacts on shippers and accuracy is key. It is inappropriate that changes to the methodology to calculate the ECQ should only be made by transporters who are neutral to any commercial consequences that may arise. Modification proposal 0054 does not allow for User proposed changes, this is a significant shortfall as no route would exist for formal input from affected parties.

There are significant flaws that currently exist within the ECQ methodology statement, which could allow for inaccurate quantity calculations. Currently, because of transporter's system constraints, scaled SOQ is the primary method for calculating demand and more accurate methods such as nominations and historical consumption, are ignored. If implemented this modification would set in place an inaccurate calculation method as standard and give no means for shippers to propose enhancements.

**Mod 0054a**

Gaz de France ESS is in favour of implementing modification proposal 0054a.

As outlined above it is imperative that Users have the opportunity to propose changes to the ECQ methodology due to the commercial impact of changes. It is appropriate therefore that ECQ methodology is contained within the UNC itself and subject to code governance. To this extent this modification proposal better facilitates relevant objective A11.1f *promotion of efficiency in the implementation and administration of the uniform network code*.

The changes to ECQ methodology highlighted in 0054a represent a significant improvement to those already contained in ECQ methodology statement and to this extent better reflect the intent of mod 0044 by more accurately calculating ECQs. There is currently scope for significant variance between ECQs calculated on scaled SOQ compared to nomination and consumption methods. To this extent implementation of this proposal would better facilitate relevant objective A11.1a *efficient and economic operation of the pipeline system* and b *efficient and economic operation of the combined pipeline system* as transporters could better balance the system

Implementation of this proposal would reduce the potential for undue risk to users and to this extent would better facilitate the relevant objective A11.1d *securing effective competition between relevant shippers and suppliers*.

If you have any queries regarding this response please contact me on 0113 3062104.

Yours sincerely



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