

12 September 2005

Julian Majdanski
UNC Modifications Secretary
Joint Office of Gas Transporters
31 Homer Road
Solihull
B91 3LT

Dear Julian

GAZ DE FRANCE ESS (UK) LTD

1 City Walk
Leeds
LS11 9DX
United Kingdom

tel: +44 (0)113 306 2000
fax: +44 (0)113 245 1515

www.gazdefrance.co.uk

REGISTERED IN ENGLAND
NO. 2706333

RE: Code Modification Proposal 0046 – “Extension of the sunset clauses for registration of capacity at NTS exit points”.

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

Gaz de France ESS gives qualified support to this proposal.

The proposal is a pragmatic solution in response to the recent authority decision to delay enduring exit arrangements until gas year 2010/11. Gaz de France ESS however, does not consider that there is a need for further reform over and above the current “Interim Arrangements” which are both efficient and effective for the longer term. Any further change to these Interim Arrangements must be fully assessed against, and better facilitate the relevant objectives over and above the current arrangements.

It is welcome that there is no change to current registration process for NTS directly connected sites and also to the ARCA process for incremental capacity requirements.

Our preferred approach would have been to see a rolling end-date for this modification rather than the firm date of 30 September 2010. Should any further delay be required to consider enduring exit arrangements or if the interim arrangements are to be extended for any other reason then another modification will be required to facilitate this.

We agree with the proposer; that this proposed modification would better facilitate GT Licence standard conditions A11.1(a) ensuring better informed investment decisions for the NTS pipeline system and (b) for the combined pipeline system, also A11.1(c) by efficient discharge of its licence conditions.

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

Yours sincerely



Phil Broom
Regulatory Affairs Analyst
Gaz de France ESS