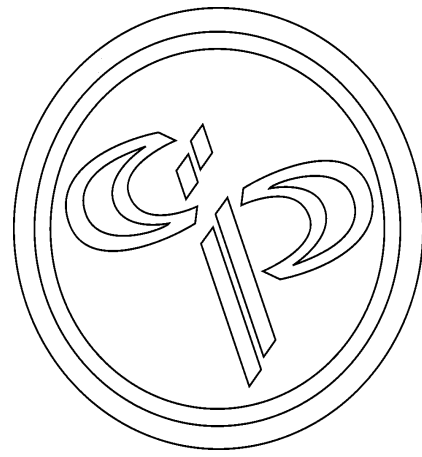


THE
CHARTERED INSTITUTE OF
PURCHASING & SUPPLY



Nigel Sisman
NGT

Re: Consultation on Mod Proposal 0049 - From CIPS Energy Committee.

Dear sirs,

The Chartered Institute of Purchasing and Supply (CIPS) is the leading international body representing purchasing and supply of excellence on purchasing and supply chain issues. CIPS has over 30,000 members in UK, including senior business people, high-ranking civil servants and leading academics. Purchasing and supply chain professionals control huge budgets - in the UK they collectively spend over £1,140 billion a year - although not all are involved in purchasing energy.

The Energy Committee represents these members and would like to respond to the consultation document in the following way.

We feel the relaxing the limits of Nitrogen, Carbon Dioxide, and Total Inert gases in natural gas to increase the volumes of gas may have detrimental effects on Industrial Users, specifically those sites which are located close to the gas delivery terminals.

Whilst there are benefits, at a time when gas supplies are reducing, in making more gas available there may be certain side effects associated with the added impurities. We are unaware of the size of the “new” extra volumes and indeed have no knowledge of the effects that the additional Carbon Dioxide and other Inert Gases on the Calorific Value of the gas. NGT have assured us that they feel that there should not be a significant change in overall C.V. but we are still concerned about allowing gas, that previously was “unfit for the UK Network”, into the network. We believe that any changes will be most noticeable at or in the vicinity of the Gas Delivery Terminals.

Industry is struggling to meet the Governments emission Controls and additional Carbon Dioxide in gas, albeit an extremely small addition, will possibly result in changes to the gas mix calculation for all industry regarding Carbon Emissions under the Climate Change Levy.

We would advise caution in terms of the proposed Modification but are willing to be persuaded if the technical issues are felt, by those with more knowledge than us, to be insignificant.

Yours faithfully,

Ian Dobson – Chairman CIPS Energy Committee