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Date
6 October 2005

Telephone
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Our reference
GI 05.0000

Your reference

Subject
Code modification proposal No.0049

Dear Sir, Madam,

Introduction

Gasunie Trade & Supply is an international trading company specialising in the sale of natural gas on the European energy market. The company's home market is the Netherlands, where it provides a large proportion of the country's energy requirements.

From the end of the year 2006 Gasunie Trade & Supply is planning to deliver gas to the UK via the BBL to the Bacton entry facility.

Modification Proposal

The modification proposal No.0049 v2.0, if implemented, would allow Delivery Facility Operators the option to adopt common limits for the specified inert gas parameters. It would also bring the Transco NTS Entry Specification in this respect into line with the EASEE-gas recommendations increasing the limit for carbon dioxide from 2% to 2.5% and removing the direct limits for Total Inert Gases and Nitrogen.

In the Draft Modification Report there is a request for comments on several topics and Gasunie Trade & Supply gives its response in the section below.

Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Gasunie Trade & Supply agrees that introducing the modification could enable gas from a greater range of sources to be imported into the UK. Gasunie Trade & Supply also agrees that in widening the sources of gas, competition in the UK could be more effective.

The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

Gasunie Trade & Supply agrees that implementation of this Proposal would enhance security of supply by allowing Delivery Facility Operators the ability to adopt the proposed inert gas limits, which would increase the number of gas sources that are able to flow into the Total System.

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The implication for Transporters and each Transporter of implementing the Modification Proposal, including (a. implications for operation of the System and b. development and capital cost of operating cost implications)

Gasunie Trade & Supply agrees that by increasing the number of gas sources competition in the provision of gas balancing and other system services could be enhanced. The Proposer does not anticipate incurring any development or capital costs as a consequence of implementing this Modification Proposal.

Analysis of any advantages or disadvantages of implementation of the Modification Proposal

Gasunie Trade & Supply agrees with the suggestions made by the Proposer concerning the advantages of implementation of the proposal which are stated here below;

- allow an increased number of gas sources to be brought into the UK without the need to raise a Modification Proposal;
- allow Delivery Facility Operators to request the inert gas limits as in table 1¹ without having to raise specific UNC Modification Proposals;
- encourage the movement towards a common playing field in respect of contractual inert gas limits.

Gasunie Trade & Supply is in complete agreement with The Proposer and is also unaware of any disadvantages.

Conclusion

Gasunie Trade & Supply sees significant advantages to the UK both in respect of security of supply and the effect on competition by widening the potential availability of gas sources. Gasunie Trade & Supply is unaware of any disadvantages arising from this Proposal.

Therefore Gasunie Trade & Supply fully supports the implementation of the Proposal No.0049 v2.0 from the 1st November 2005.

With kind regards,

Gasunie Trade & Supply

¹ Code Modification Proposal N0.0049 v2.0, 16-09-2005