

The Modification Panel Secretary  
Joint Office of Gas Transporters  
51 Homer Road  
Solihull  
B91 3QJ

4th October 2005

Dear Sir,

**UNC Modification Proposal 050 "Storage Monitor Adjustment"**

Portland Gas Limited, a subsidiary of Egdon Resources Plc, in its capacity as developer of the Portland Gas storage project is very concerned at the proposal to modify the UNC in accordance with Ofgem's letter of 26th September.

As a developer and investor in a significant gas storage project, we fail to understand why Transco are attempting to interfere with the operation of privately owned natural gas storage facilities.

Having already undertaken significant work to assess the suitability of the project site we are now entering, subject to planning permission, a phase of potentially significant investment. For the avoidance of doubt, this investment is certainly not founded upon the arbitrary sequestration of our asset at some, perhaps any, point in the future.

We appreciate the need to ensure the operation of the gas network is managed with a view to ensure a secure supplies to all customers at all times. Indeed the security of supply to customers supplied with gas from Transco's network forms part of the strategic plan for our proposed investment in the Portland Gas storage project.

The fact that consultation on this proposal is taking place serves only to leave us confused as to the intended basis for the operation of the UK gas market. These are not the signals that are required to provide economic incentives to investors in gas infrastructure nor or in our opinion do they lead to the efficient operation of the gas market.

Whilst we are not yet in possession of a Gas Transporter or Shipper Licence we hope that our concerns will be registered with Ofgem and Transco.

Yours faithfully,



Andrew Hindle  
Managing Director