

John Bradley
UNC Modifications Secretary
51 Homer Road
Solihull
B91 3LT

27 April 2009

Dear John,

Response to UNC Modification Proposals 244, 244A, 244B

Thank you for the opportunity to respond to the above modification proposals. GDF Suez Energy UK supports the implementation of UNC 0244 and 0244A and offers comments in respect of 244B.

The suite of proposals aims to address the objective of allowing users to reduce their capacity requirements outside of the current capacity window constraint in the UNC. This is an improvement to the current regime where capacity on the DN networks is effectively stranded outside of the capacity reduction window whereby offtake capacity cannot be reduced or released for use by other users of the network. The level of capacity reduction is further constrained by the BSSOQ which effectively acts as a floor value to subsequent capacity reductions. All of these proposals seek to remove these constraints either permanently (0244, 0244A) or temporarily (0244B) which better facilitates SSC A11.1(a) "the economic and efficient operation of the pipeline system" such that unused capacity can be released sooner to other users of the network.

In respect of SSC A11.1 (d) "competition between shippers and suppliers" it is our view that UNC 0244 and 0244A both better facilitate this objective as they allow for a mechanism which better apportions costs between users. Capacity costs currently can be reduced in line with AQ amendments at any point in the year for NDM sites, the proposed amendment aligns the DM regime with that in place for the vast majority of Supply Points and should be a permanent arrangement for that reason.

We offer comments only in relation to UNC 0244B as this does not address the inequality between the NDM and DM regimes on a permanent basis. Also, UNC 0244B seems to introduce a year round ratchet charge for all DM sites as an intended or unintended consequence which we view as unnecessary and introduces further market risks for all DM Supply Points. GDF Suez Energy UK is of the view that the safeguards in UNC 0244 and 0244A are adequate to protect against potential misuse.

GDF Suez Energy UK has the following order of preference for implementation:

1. UNC 0224
2. UNC 0224A
3. UNC 0244B

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It is crucial that there is an early implementation of this proposal and to this extent, therefore if there is likely to be a significant delay in implementation timescales between 0244 and 0244A then we would be happy to reverse our stated preference between these two.

I trust this information is helpful and if you have any questions or would like to discuss further, please do not hesitate to contact me on 0113 306 2104 or mobile 07733 322460.

Yours Sincerely,

A handwritten signature in grey ink that reads "P. Broom". The letters are cursive and slightly slanted.

Phil Broom
Regulatory Affairs Manager
GDF Suez Energy UK