

11 August 2005

Julian Majdanski
UNC Modifications Secretary
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Dear Julian

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RE: Code Modification Proposal 0005 – “Provision of a guarantee of pressure for Meter Points operating above 21mbar by the Relevant Transporter”

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

Gaz de France ESS supports this proposal.

There is currently a pressure guarantee for Users relating to Meter Points operating below 21 mbar within the UNC, there is an Assured Off take Pressure for DN User off-takes from the NTS and there is also the provision for an ancillary agreement to the code for very large NTS connected sites in the form of NEXAs. However, here is no such provision, in code or by means of an ancillary agreement, for meter points that lie between these parameters i.e. Meter Points that operate above 21 millibar and are connected to Distribution Networks.

The lack of provision currently for this segment of the market could be viewed as discriminatory; the formalisation within the UNC to be able to facilitate an Ancillary Agreement, similar to that of a NEXA, bridges this gap in the current arrangements. We agree with the proposer that this agreement should take the form of a bi-lateral agreement between the Relevant Transporter and the end consumer; arrangements of this type would not hinder the change of supplier process and would not have a detrimental impact on competition of supply.

It is important to protect customer interests in this segment of the market, Industrial and Commercial customers are particularly at risk to reductions in pressure and are liable to loss of production capability and damage to equipment as a result. Existing “grandfather rights “ should not be affected by these proposals but sites seeking to agree an enduring off take pressure should have the ability to formalise these arrangements with the Relevant Transporter.

We agree with the proposer; that this proposed modification would better facilitate GT Licence standard conditions A11.1(f) by ensuring suppliers can fulfil their supply contracts and also A11.1(b) by ensuring there is a consistent approach to pressure guarantee across all pipeline systems.

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