

18 July 2006

Julian Majdanski  
UNC Modifications Secretary  
Joint Office of Gas Transporters  
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Dear Julian

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**Uniform Network Code Modification Proposal 0093 – Amendment of Interconnector UK’s Meter Flow Rates**

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

Gaz de France ESS supports the implementation of this modification proposal.

Firstly, it is welcome that this change has been brought forward by means of a modification proposal to the Uniform Network Code rather than the alternative route of written consent of applicable capacity holders. This allows for a wider range of views from all interested parties and this approach supports good governance.

The amendment of IUK’s Network Entry Provisions to allow for an increased range of flow rates is crucial to ensure the Interconnection agreement continues to reflect the reality of potential flow rates following the current upgrade of Interconnector capacity.

As stated in the proposal, the coming winter is likely to be tight for the supply/demand balance of the UK and every effort to encourage supplies should be considered. Should this proposal not be implemented ahead of the coming winter there could be a risk to security of supply. Supplies through the Interconnector may be hindered as parties may perceive a risk of breaching the terms of the Interconnector Agreement if the original range of flow rates is not updated. Having taken steps to upgrade the import capacity of the Interconnector it would seem to be counterproductive not to approve this change.

Gaz de France ESS agrees with the proposer that implementation of this proposal would better facilitate special licence conditions 11.1a “economic and efficient operation of the pipeline system”. The proposal would remove a potential barrier to additional gas deliveries and at times of system stress this could reduce the potential for a Gas Deficit Emergency. It could also be argued that for similar reasons, condition (e) “the provision of reasonable economic incentives for relevant suppliers to

secure that the domestic customer supply security standards are satisfied as respects to the availability of gas to their domestic customers” would also be furthered.

Enhancing the potential for additional supplies would further special licence condition (d) “securing effective competition between shippers and suppliers” by facilitating an increase in the level of traded NBP volumes, therefore improving market liquidity.

I trust these comments are helpful, if you have any queries regarding this response please contact me on 0113 306 2104.

Yours sincerely



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**Gaz de France ESS**