

1 September 2006

Julian Madjanski
Mod Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ

Dear Julian

Draft Modification Report 0105

EDF Trading (“EDFT”) understands that modification proposal 105 mirrors the proposal put forward by Ofgem in its recent consultation document “New entry arrangements for connecting to the gas distribution network”. EDFT offered support for this approach in its response and on this basis also support the implementation of modification proposal 105.

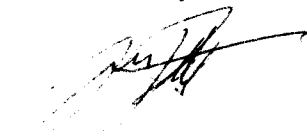
The proposal ensures that the key element of Ofgem’s proposal – providing access to the NBP – is introduced into the UNC. In addition, and as promoted by National Grid, this proposal ensures there is no longer a requirement to modify the GT Licence. Such an approach should be applauded, particularly as winter is getting closer and it is important that all sources of flexibility are available to the market. It is in the interests of the industry and consumers that the regulatory/contractual hurdles are overcome in a timely manner to ensure that the Holford storage site is operational during this winter and beyond.

EDFT concurs with the views expressed in the Report that the proposal will better facilitate Special Licence Conditions 11 (a) and (d). In addition, we argue that if this modification is not implemented, then given the timescales, it appears highly probable that the facility would not be in operation for a part of the coming winter. As a consequence, EDFT believes that non-implementation could restrict the operation of storage facilities and be detrimental to Security of Supply.

Finally, we do not understand why the modification proposal is end-dated. We believe that the modification should be made to the main text of the TPD and replaced by the long term arrangements when these have been approved. If long term arrangements are not implemented by 1 October 2007 we would expect the interim arrangements to roll-on. We believe it would be expedient to leave the interim solution open-ended until such time as it is agreed that it has expired.

Please do not hesitate to get in touch if you have any questions.

Yours sincerely



Jonas Törnquist
Head of Transmission and Regulation