

03 August 2007

Julian Majdanski
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Dear Julian

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**Response to Uniform Network Code Modification Proposals:
0159 National Grid discretionary release of Interruptible NTS Entry
Capacity.**

Thank you for the opportunity to respond to the above modification proposal. Gaz de France ESS supports the implementation of modification proposal 0159.

The current regime of releasing Interruptible NTS Entry Capacity via the D-1 DISEC auction process provides an important safeguard against capacity hoarding and an efficient means of allocating unused capacity. By using the UIOLI calculated volumes as a minimum quantity for release, this Modification Proposal adds the potential for additional capacity to be utilised where appropriate. This is good for competition and security of supply to the UK, as it provides a simple mechanism which may encourage marginal supplies of gas to enter the system, particularly on high demand days. This may have the effect of reducing the impact of price spikes in such circumstances to the benefit of both shippers and customers. To this effect this Modification Proposal better facilitates both SSC A11.1 (a) the efficient and economic operation of the pipeline system; and SSC A11.1 (d) securing of effective competition between shippers.

Short term access to interruptible capacity is a requirement under EU Transmission Access Regulation which states that Transmission Operators shall provide both firm and interruptible services and also offer both long and short term services down to a minimum period of one day. This Modification Proposal strengthens UK compliance in that regard and in turn better facilitates SSC A11.1 (c) the efficient discharge of the Licensee's obligations.

Should this Modification Proposal be implemented, it would be useful to shippers for National Grid NTS to measure and report how much additional flexibility has been released as a result and to which ASEPs. Gaz de France ESS would like to see this information made available to shippers in the D+1 reporting process.

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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