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Modification Proposal 0170 – User Admission Requirements for Applicant Shippers Who Solely wish to Participate in Long Term Entry Capacity Auctions

Dear Julian,

UBS does not support the implementation of this proposal

Comments on the Draft Modification report are as follows:

The Shipper application process is involved and complex, but necessary. We believe the procedures developed are to ensure that Shippers are fit and proper to operate within the Network Code. We therefore support the current process as we feel it provides a robust framework for market entry.

The Accession Process is critical to the UK Gas Market. The proposal does not appear to have given proper consideration to the potential consequences of making the prescribed modifications and any changes should only be undertaken after careful consideration and analysis. Specifically, we have concerns there is no guarantee that a User will complete the Accession Process after obtaining such capacity; this may result in Users unnecessarily having to compete for capacity rights, with the potential for additional costs.

On a more general note we do not see the justification for such a modification to be raised expeditiously. We are not aware of any provision within the Entry auction process that precludes the applicant from having a contractual arrangement with a User to purchase this capacity on their behalf; either now or at a point in the future. This would avoid the issues raised by the modification.

Please feel free to get in touch if you have any queries.

Yours sincerely,

(This message is sent electronically and is therefore not signed)

Gareth Evans
MCC Compliance