



NEXEN ENERGY MARKETING LONDON LIMITED

100 Brompton Road, London SW3 1ER

T +44 (0)207 189 8900 F +44 (0)207 189 8901

www.nexeninc.com

15 January 2008

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

15 January 2008

Dear Julian

DRAFT MODIFICATION REPORT 0189 – AMENDMENT TO THE QSEC AUCTION TIMETABLE

Nexen Energy Marketing London Limited ("**Nexen**") wishes to respond to the draft modification report referred to above (the "**Proposal**"). Nexen is opposed to the implementation of the Proposal at this point in time for the reasons set out below.

In ordinary circumstances, Nexen would likely support moving the relevant auctions to April (as this would better accommodate the construction seasons following the extension in the IECR investment lead time to 42 months as detailed in the Proposal). However, Nexen considers that it would be premature to do this during the current gas year given that the substitution obligation does not come into force until June 2008.

We also cannot see how it would benefit the industry for a further change to be made the entry regime during a time that a new substitution mechanism is in the process of being developed, construction periods have been extended and Ofgem may direct a change to the existing baselines. It is our view that the industry would be better served by focusing on these other changes and by delaying the consideration of the proposed change to the timing of the auctions until after the September 2008 auctions.

In the circumstances, we do not agree that the Proposal better facilitates the achievement of the relevant objectives.

Please do not hesitate to contact us if you require any further information.

Yours sincerely

Yehuda Cohen