

The Office of Gas and Electricity Markets
Attn. Mr. Steve Smith
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Our reference: GI 05.B.036
Your reference:

Date: 14 January 2005
Dial: +31 50 364 87 31

Subject: BBL Interconnector Licence

Dear Mr. Smith,

Gasunie Trade & Supply welcomes the opportunity to comment on Ofgem's initial views regarding the BBL Company application for an Interconnector Licence for the Balgzand - Bacton pipeline.

Gasunie Trade & Supply, currently part of N.V. Nederlandse Gasunie, is a Dutch gas trading company engaged in the supply of natural gas in the Netherlands and to several European countries. Gasunie Trade & Supply has been unbundled from the transmission activities of N.V. Nederlandse Gasunie since 2001, and a full (ownership) unbundling will be completed by 1st July 2005 and implemented retroactively as of 1st January 2005. Gasunie Trade & Supply is one of the initial shippers in the BBL pipeline. Although Gasunie is and has been active on many European gas markets for many years there has not been a direct link between the UK gas market and the flexible Dutch gas sources. For Gasunie Trade & Supply the BBL is of particular importance as it does now establish such a link.

Gasunie Trade & Supply is supportive of the Ofgem initial views and supports the proposal to grant BBL Company an Interconnector Licence as described in your document "Application by BBL Company for an Interconnector licence to participate in the operation of the Balgzand Bacton Line, Ofgem Initial views" dated December 2004 (document nr. 278/04).

Gasunie Trade & Supply's particular concern is that no discrimination should occur between possible future regulated BBL tariffs and non-regulated BBL tariffs of the initial shippers.

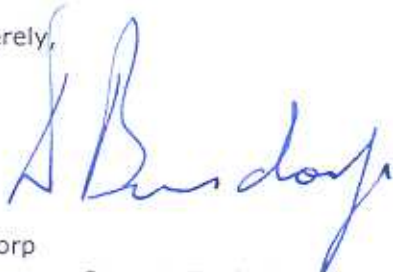
The proposed Licence includes elements which can prevent development of such a discriminatory regime, and can thereby ensure equal treatment between initial and new shippers.

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Gasunie Trade & Supply wishes to take the opportunity to point out that the Transco quality requirements should be in line with the recommended EASEE gas values for high calorific gas at cross border points in order to allow maximum utilisation of the BBL and connected infrastructure.

Gasunie Trade & Supply trusts that the above comments are helpful. If you would like to discuss this matter any further then please do not hesitate to contact Mr. Robert van Rede (Tel. +31-50-3648731).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D.L. Bendsdorp', written in a cursive style.

D.L. Bendsdorp
General Manager Gasunie Trade & Supply