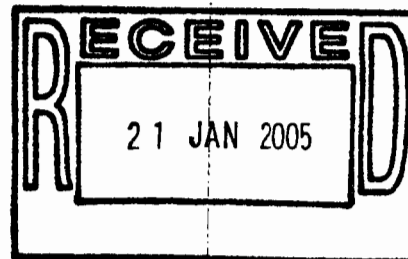


Mr Steve Smith  
Managing Director, Markets  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE



20 January 2005

Dear Mr Smith

**Consultation on an application by Energy Merchants Gas Storage (UK) Limited for an exemption under section 19A of the Gas Act 1986 from section 19B of the Gas Act 1986 for the planned expansion capacity at the Hole House gas storage facility**

EDF Trading Limited ("EDFT") wishes to register its support for Ofgem's proposed exemption for the existing and new capacity at the Hole House gas storage facility from section 19B of the Gas Act 1986 (as amended).

EDFT agrees with Ofgem's analysis that third party access to the facility is not required for the economically efficient operation of the UK gas market. We would note that the increase in capacity will help increase the security of supply in the market, but the size of the facility and the level of competition that already exists in the market means that the continuation of the exemption would not have a negative impact on the UK gas market.

EDFT also supports Ofgem's proposed route for granting a new exemption to the whole facility and then revoking the existing exemption.

Yours sincerely

A handwritten signature in black ink, appearing to read "Philipp Büssenschütt". The signature is written in a cursive style.

Philipp Büssenschütt  
Manager  
Origination and Corporate Development