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12th April 2005

Dear Sonia and Richard

Consultation on network code arrangements – Stage 2

Thank you for the opportunity to comment on these proposals. I am responding on behalf of the consortium seeking to acquire the northern DN. I would like to reiterate our appreciation of the considerable effort that has gone into producing the UNC and associated documents to the agreed timetable. We also welcome the opportunity that there has been for all stakeholders to input into the development of the UNC. In particular the meetings, held from mid-2004, the detailed legal drafting sessions in early 2005 and the subsequent two stage process for consultation over five weeks have been extremely effective in providing a mechanism to iron out drafting problems and minor issues at an early stage. Furthermore, it has enabled the industry to identify and resolve more material issues so that the second stage consultation, apart from minor drafting issues, meets industry requirements. We, along with all other stakeholders, have had full opportunity to comment and contribute at all stages of the process to ensure the development of a robust UNC. The format of the documents, with the various clean and marked-up versions has been very helpful in identifying changes and developing our response. We are comfortable that the minor drafting issues can be dealt with post hivedown.

We have no material comments. We have sent Transco our drafting comments for modification post hivedown on the UNC and OAD. We do have some technical comments on the JGA and ASA relating to our business model that we attach in an appendix, as well as a couple of minor drafting comments.

Please do not hesitate to give me a call if you wish to discuss any of the points contained in our response.

Yours sincerely

A handwritten signature in black ink that reads "Alex Wiseman". The signature is written in a cursive style with a long, sweeping underline.

Alex Wiseman
Gas Regulation Director

APPENDIX – Proposed revisions to the JGA and ASA

DOCUMENT	Paragraph reference	Comment
ASA	27	This prohibits sub-contracting and potentially the appointment of an agent by a network operator. The agreement should be consistent with the OAD in this regard.
ASA	Schedule 1.2 (e)	The content of the last sentence is already covered by the second sentence.
ASA	Schedule 3 paragraph 1.8	Penultimate line, delete 'Uniform Network Code'.
JGA	11.2.1	We are pleased that Transco has now provided that disclosure can be made to affiliates. However the definition used of "Affiliate" is a subsidiary or holding company and <u>not</u> the modified one used in the TPD and OAD which allows for disclosure to a shareholder which has only a 10% stake. Our business model would require this, so affiliate should be defined as in the TPD and OAD.
JGA	19.3	It should be made clear that nothing in this document prevents a transporter from appointing an agent - see TPD V6.5.7
JGA	Schedule 2 paragraph 1	"expression" should read "expressions". The first and second sentence of this paragraph seem to contradict each other. If the words "or the "JGAA" are added after Agreement on the last line then it makes sense.