

Indra Thillainathan
Gas Distribution
Ofgem
9 Millbank
London
SW1P 3GE

Dear Indra

**New entry arrangements for connecting to the gas distribution network:
The long term arrangements**

EDF Trading Limited (EDFT) supports the approach outlined by Ofgem for new long term entry arrangements for connecting to the gas distribution network. We believe it is a pragmatic way forward that is consistent with that adopted at other connection points on the gas network. The development of a broad commercial framework underpinned by clear regulatory obligations, strikes the right balance in ensuring that participants have confidence in the regime, while providing the necessary flexibility to permit them to structure contracts best suited to their individual requirements.

The ability for DN Entry facilities to obtain access to the NBP is central to the new arrangements. EDFT believes that this requirement should be inserted into the License.

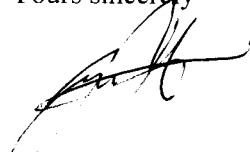
As with other connection arrangements, there is merit in publishing the standard terms and conditions and a License condition to this effect would be appropriate. In addition we fully support Ofgem's view on including a non-discrimination License condition as this will provide participants with comfort that there is a level playing field while accommodating the potential for bilateral negotiations. Our assumption is that the obligation will encompass discrimination between all entry points and other users of the DN. For example, those users taking gas off the network at exit points should not be given preference over those delivering gas into the network. This relates principally to the availability of capacity and related transportation charges.

The DNs must be obliged to maximise available capacity. DNs should also be required, by License, to produce a methodology which clearly details on what basis such determinations are made so users and Ofgem can assess whether this License obligation is adhered to.

The revenue received by the DN from the entry connection should be treated in the same way as revenue received from an exit connection.

We trust you find our comments useful. Please do not hesitate to get in touch if you have any questions.

Yours sincerely



Jonas Törnquist
Head of Transmission and Regulation