

10 November 2006

Daily capacity auctions

Dear Sir or Madam,

Just over a month ago EFET sent you a proposal for co-ordinated daily capacity auctions to be set up early in 2007 on a trial basis at a small number of x-border locations in Northern Europe. The proposal was also presented and well received at the North/North-West Steering Group of the Regional Gas Initiative that took place in The Hague on 9 October 2006.

As one of the TSO's concerned with the daily capacity auctions I would like to ask you for some feedback on the progress that you have made so far in your discussions. EFET would also be happy to participate in a joint meeting of the five TSO within the next four weeks to help clarify any issues from the trading perspective and to help you maintain the momentum to implement this important initiative as soon as practical in 2007.

On behalf of the EFET Gas Committee, I look forward to your early reply.

Yours sincerely,



Colin Lyle
Chairman EFET-D