

Mr. Bob Fletcher
UNC Panel Secretary
Joint Office of Gas Transporters
1st Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

29 November 2010

Dear Bob,

RE: Modification proposal 0336: The Introduction of a Balancing Neutrality Adjustment Charge for Cost Recovery Associated with Rating Services

Thank you for the opportunity to respond to this consultation. British Gas Trading (BGT) offers conditional support for its implementation.

BGT's view on the merits of the EBCC having access to enhanced credit monitoring/rating information, and having to pay for such access, has necessarily been heavily informed by the views of the EBCC itself. On this occasion we are persuaded that access to such information has proved, and will continue to prove, valuable in facilitating the early recognition in changes to shippers' credit standing, and therefore changes in potential community liabilities. This in turn will enable the EBCC to take earlier corrective action, were this to be identified as necessary.

BGT believes that it is appropriate for the cost of services delivered at the shipper communities' request to be fully recovered from those who request it and stand to benefit from it. We believe that this proposal touches on two relevant objectives. First, we agree with the proposer that allowing National Grid to recover such costs represents efficient administration in the administration of the UNC. Further, where use is made of the enhanced level of data from this service in order to extend the correct level of energy balancing credit to shippers, that would appear to better facilitate competition between relevant shippers.

Our only reservation in respect of this proposal relates to comments made by UNC Panel members – suggesting that a facility may already exist for National Grid, with Ofgem's approval, to recover the cost of the relevant service from shippers without the need for this modification proposal. We would like reassurance that that avenue has been fully explored prior to this proposal being implemented. Implementation of this proposal where another route already exists for cost recovery would, in our view, be detrimental to the efficient administration of the UNC.

Please contact me if you would like to discuss this response.

Yours sincerely,

Chris Wright
Commercial Manager