



12 September 2006

Julian Majdanski  
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Dear Julian

**BG Gas Services Limited Response to Code Modification Proposal 108 "Publication of Near Real Time Data at GB Storage Sites"**

BG Gas Services Limited supports Modification Proposal 108 on the grounds that publication of information should not disadvantage individual market participants. In BG's response to Ofgem's Impact Assessment of Modification Proposal 006, dated 24<sup>th</sup> June 2005, we specifically raised the issue of distressed buyers, similar to the Proposal's concerns that, "at times of stress, inefficient rents will be extracted from Storage Operators".

However BG is concerned that if the Proposal is approved it will discriminate between Storage entry points and other entry points where similar concerns about the extraction of inefficient rents may be applicable. The problems caused by UNC Modification 006 are illustrated by the apparent "about face" of INEOS. INEOS supported Proposal 006 and the need for sub terminal flows stating "If the information is available by sub terminal then customers (and the market) are better able to understand the reasons, and consequently make better value decisions" (E-mail from Andrew Mackenzie to Hannah Cook dated 11<sup>th</sup> January 2006 and available on Ofgem website). INEOS are now however supporting Proposal 108 and its concerns that publication of sub terminal flows will lead to "price squeezes". BG believes this illustrates the need for better consideration of broad market issues such as the provision of information rather than a piecemeal "Mod by Mod approach" which has already given rise to the need to revisit Modification 006, and which may lead to an imbalanced and inefficient market.

Yours sincerely,

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