



Mr J. Majdanski
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Dear Julian,

RE: Draft Modification Report 0108: Publication of Near Real Time Data at GB Storage Sites

Thank you for the opportunity to comment upon this modification proposal.

British Gas Trading (BGT) takes a cautious approach to the principle that in competitive markets, transparency of information automatically will lead to a better functioning of the market. There are, for example, very clear instances across a range of markets where opportunities for gaming or profiteering can be extracted as a result of detailed information being available in respect of other parties' commercial positions.

Where such behaviour occurs, any resulting impacts – usually in the form of increased commodity prices - are not restricted solely to the distressed purchaser, but in fact affect all purchasers in the market at that time.

During discussions around modification 006, BGT noted concerns on the basis that the additional information to be released could potentially contain errors, or be open to misinterpretation. This could stimulate market players to make flawed commercial decisions. Such actions could be a driver of additional market volatility, ultimately leading to increased cost to Users and end consumers. We also could not foresee any practical benefit to our business of increased granularity of gas supply information.

BGT supports modification 108, seeing it as a mechanism to provide similar treatment to storage sites to Entry Points. As such, we believe its implementation should coincide with, the implementation of modification 006.

In supporting this modification, BGT believes that the achievement of the relevant objectives set out at section A11 will be better facilitated by its implementation. In particular, we believe that without this modification, uneconomic and inefficient pricing will be brought forward to the market where it is known that a distressed purchaser exists, or is

likely to exist. This modification will dampen any potential for unwarranted price volatility, and allow short positions to be remedied at the prevailing, i.e. efficient and economic, market rate.

Please don't hesitate to contact me if you have any queries about this response.

Yours sincerely

Chris Wright
Contracts Manager