



23rd January 2008

Julian Majdanski
Joint Office of Gas Transporters
51 Homer Road
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Dear Julian

BG Gas Services Limited Response to Code Modification Proposal 182 - Information Provision at LNG Importation Facilities.

BG Gas Services Limited (“BG”) supports the implementation of Modification Proposal 182 as it simply implements the approach that Ofgem expects National Grid to take, as outlined in Ofgem’s Impact Assessment of March 2007. BG has continually expressed concerns that Modification 104 allows the positions of individual terminals and hence individual players to be identified, and that this is distortionary in a competitive market such as the UK. It is notable that shippers at LNG import terminals are therefore treated differently from shippers who hold gas in storage sites, or those who import LNG into the UK via ship board technologies.

It is unfortunate that that Modification Proposal 104 already requires clarification via Modification Proposal 182. This stems from the original unclear drafting of Modification Proposal 104, something which was illustrated by the need for two Open Letters (7th September 2006 and 18th May 2007), one Impact Assessment and a “minded to” decision letter from Ofgem (6th July 2007) before it was finally approved by Ofgem. This occurred despite Proposal 104 being unanimously rejected by the UNC Modification Panel (21st December 2006), and unsuccessful requests in the Transmission Workstream to the Proposer to improve the drafting of Modification Proposal 104. It is to be welcomed that Ofgem has started a review of Code Governance. It would be preferable if Ofgem did not approve implementation of Modification Proposals which are not sufficiently clear, but instead rejected them to enable further development.

Should you have any queries please do not hesitate to contact me at the address below.

Yours sincerely,

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