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Our Ref.
Your Ref.

7 February 2008

Dear Julian,

**RE: MODIFICATION PROPOSAL 0185 / 0185A METER ERROR NOTIFICATION
PROCESS**

British Gas fully supports the implementation of either of these modification proposals.

Whilst we recognise that both proposers have some work left to do through the development of legal text, we believe that the intent of both modifications, the codification of the 0643 process, is sufficiently clear and understood by both Shippers and Transporters.

The inclusion of these guidelines into the Uniform Network Code, through the implementation of either modification, would better facilitate the achievement of Standard Special Condition A11.1 (d), in so much as it would provide, both existing and new users entering the market, with increased certainty and confidence in the market arrangements and the ability through the UNC modification process to further develop these rules in future.

Implementation of either modification would provide Shippers with confidence that an appropriately governed route exists to manage Measurement Equipment errors, and would permit subsequent development of the guidelines to support both timely and accurate reallocation of energy misallocated due to Measurement Equipment error.

LDZ Meter Equipment errors create a significant risk for Shippers operating in the RbD market. At present insufficient formal governance arrangements exist to give users confidence that this risk is managed to ensure the timely and accurate resolution of these errors. The '0643 process' goes somewhat towards giving Shippers certainty around how

LDZ measurement errors will be managed, however as it only operates informally as a 'Gentleman's agreement', and not codified, there still exists a risk to users that it may in future be open to interpretation or practice may deviate from the spirit of the original agreement.

The codification of these arrangements will provide Shippers with certainty around the governance of process, its application, and the dispute framework that exists around it.

Should you have any queries with regard to this response please do not hesitate to contact me.

Yours sincerely,

Chris Wright
Commercial Manager