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Our Ref.
Your Ref.

7 February 2008

Dear Julian,

RE: Modification Proposal 0188/A: "Introduction into the UNC of the Agency Charging Statement ("User pays")"

Thank you for the opportunity to comment on this proposal. British Gas Trading offers qualified support for the original proposal 0188, but fully supports to the implementation of the Alternative proposal 0188A.

Overall, British Gas believes that if properly applied, the User Pays principle has the potential to enable shippers to secure differentiated and additional services from xoserve, whilst targeting the costs at those who incur them. Ultimately, this should enable Users who want to secure different arrangements from xoserve to fund them and benefit from them. The User Pays principle should also help to allay Transporter concerns about the cost of certain industry changes.

We recognise that a proposal of this nature is necessary in order to codify Transporter licence requirements that come into effect from April 2008. To this end, we believe that it is advantageous to extend existing governance arrangements to cover the ancillary documents that are to be referenced within the UNC. This will ensure that both shippers and transporters are able to propose changes, and will enhance the visibility of any such proposed changes. We believe that this approach accords with best practice in respect of Code governance.

In terms of better facilitating the relevant objectives, we believe that both proposals will better facilitate competition between relevant shippers by increasing the ability of shippers to change the referenced ancillary documents, as well as increasing the visibility of any proposed changes.

We also believe that 0188A will better facilitate the promotion of efficiency in the administration of the network by bringing the ancillary documents within existing code governance rules. Of the two, our preference is for 0188A.

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

Yours sincerely,

Chris Wright
Commercial Manager