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Our Ref.
Your Ref.

8 February 2008

Dear Julian,

RE: Modification Proposal 0198: "Extension of the Current Sunset Clauses for Registration of Capacity at NTS Exit Points"

Thank you for the opportunity to comment on this proposal. British Gas Trading supports the implementation of this proposal.

British Gas understands from recent discussions that any reform to NTS Exit arrangements will not now take effect until into 2009. That being the case, there would appear to be little sound basis for rushing through a decision on enduring exit arrangements in advance of the expiry of the current arrangements on 1 April 2008. This is especially the case given that there is currently a UNC modification proposal – 0195, and an associated Alternative – 0195A, which bring significant new material to the Exit reform debate and address some of the operational issues, albeit these proposals have yet to complete the consultation phase of the governance process.

Against this background, we believe that the proposals set out in 0198, to extend the current arrangements by one year, are eminently sensible, and will permit full and proper consideration of all the issues.

In terms of relevant objectives, British Gas believes that if this proposal were not implemented, Ofgem and the Authority would be required to make a rushed decision on the future shape of NTS Exit arrangements, and that decision would exclude the live 0195/A proposals. British Gas therefore believes that any such decision would be sub-optimal. Implementing this proposal, therefore, would lead to better decision making and a better final outcome, thereby promoting the economic and efficient development and operation of the system.

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

Yours sincerely,

Chris Wright
Commercial Manager