



Mr John Bradley
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12th September 2008

Dear John,

RE: UNC Modification Proposal 0199 – Clarification around the application of the UNC Dispute Resolution Process

As the proposer, British Gas fully supports the implementation of this modification proposal.

The process for the resolution of UNC disputes is defined under Section A1.1.2. The current process for raising a dispute requires that both parties agree that a dispute exists between them.

Whilst we accept that the wording of Section A1.1.2 (a) appears on first reading it to be sufficiently clear, there has been some debate historically between parties as to whether or not a dispute exists, where the dispute relates to a service provided in connection to the UNC, but where there no specific definition or charge for the service.

We welcome the comments made by National Grid Distribution and National Grid Transmission which state that in their view the current wording of Section A1.1.2 does not limit disputes to those services with a charge associated under Section S.

However, we strongly believe that implementation of this proposal would remove any further ambiguity and so would better facilitate Standard Condition A11.1 (f) by reducing the level of contractual risk between parties.

If you require any further information in regards to this response, please do not hesitate to contact me.

Yours sincerely,

Mitch Donnelly

Regulatory Manager