



Mr. John Bradley
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Our Ref.
Your Ref.

9 October 2008

Dear John,

RE: Modification Proposals 0218: "Amendment to the base period used to define Seasonal Normal weather"

Thank you for the opportunity to comment on this proposal. British Gas fully supports its implementation.

While the current regime, which sets out that only historical data may be used to establish SNT estimates, appears to have served the industry well, the strong scientific evidence of climate change means that using only historical data may no longer be the most appropriate way of establishing SNT.

We note with interest the recent and credible EP2 study, which appears to demonstrate that utilising an element of forecast data, along with historic data sets, can produce more accurate SNT outcomes than utilising historic data alone. There is no reason to doubt that this increased accuracy can be reproduced year on year, and therefore we believe it makes sense to amend the UNC, as proposed by this modification proposal, to permit forecast data to be used. As a safeguard, we support the maintenance of the five year review period.

We agree with the proposer that the implementation of this proposal could better facilitate A11.1(a), the economic and efficient operation of the pipeline system, by providing transporters with a more accurate picture of the energy that needs to be transported through the pipeline network.

We also agree that implementation of this proposal will serve to increase competition between relevant shippers/suppliers by facilitating more accurate allocation of energy between market sectors, further to A11.1(d).

We believe that the implementation of this proposal will be neutral to the environment, i.e. no direct benefits or detriments.

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

Yours sincerely,

Chris Wright
Commercial Manager