



Mr. John Bradley
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Our Ref.
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6 November 2008

Dear John,

RE: Modification Proposals 0225: "Revised Timescales for LDZ Shrinkage Arrangements"

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

This would appear to be a low impact proposal with apparently minor benefits for both transporters and Users. From British Gas' perspective, should one of the claimed benefits of this proposal – reduced reconciliation volumes – actually materialise, we would welcome this and believe that there could be a benefit to the facilitation of competition between shippers.

We would also express some minor concerns about the revised timings, which place the opportunity to present estimated Shrinkage to Shrinkage Forum in the period from late December to early January. This is clearly a traditional holiday period, and we would not want the Forums to be timed such that interested Users miss the opportunity to take part in a Shrinkage debate.

We would also observe that this proposal seeks to align arrangements more with the Formula year, while at the same time the industry is considering proposal 0230, which is seeking to break the link between the delivery of capacity and the Formula year (instead aligning it with the Gas year).

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

Yours sincerely,

Chris Wright
Commercial Manager