



Mr. John Bradley
UNC Panel Secretary
Joint Office of Gas Transporters
1st Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

Centrica Energy

Millstream East
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Tel. (01753) 431059
Fax (01753) 431150

Our Ref.
Your Ref.

9 December 2008

Dear John,

RE: Modification Proposal 0235 "Recovery of Debt and Smearing of Revenues via Energy Balancing Neutrality"

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

Recent economic turmoil has necessitated close scrutiny of UNC matters relating to energy balancing, and the rules in place which set out the rights and obligations on parties, and the rules in place to govern energy balancing matters. We are grateful to the EBCC for its continued diligence in these matters.

This proposal seeks to change the basis on which charges – positive and negative – are apportioned across Users in the event of a Shipper failure. This will take into account each User's market position on a daily basis.

We agree with the proposer that this is a fairer basis for managing neutrality smears. We also agree that this proposal better facilitates competition between relevant Shippers as a result of more accurate cost allocation, and for the same reason better facilitates the efficient discharge of National Grid's obligations under its licence.

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

Yours sincerely,

Chris Wright
Commercial Manager