

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

28 August 2009

Dear John,

**RE: Modification proposal 0261 - Annual NTS Exit (Flat) Capacity Credit Arrangements**

Thank you for the opportunity to respond to this consultation. British Gas Trading supports the implementation of this modification proposal.

In light of the ongoing experience with the Fleetwood entry point, we are concerned to ensure that the UNC affords adequate incentives and protection to players who are seeking to secure NTS exit capacity.

In reviewing this proposal, we would question whether it goes far enough, in that failure to place the required security will still not in itself result in a Code default. This is the same issue that applies to NTS Entry. Nevertheless, we recognise that the Exit regime is somewhat different in this respect, and it is evident that this proposal delivers greater protection than is currently afforded to Users under Code. We therefore see it, at the very least, as a step in the right direction, which could if necessary be expanded upon in future in the light of experience.

In terms of the relevant objectives, the most obvious beneficiary is competition between relevant shippers and suppliers, by the removal of the existing cross subsidy risk.

Please contact me if you would like to discuss this response

Yours sincerely,

Chris Wright  
**Commercial Manager**