

In response to Jon Dixon's e-mail of 19th February regarding User Pays charges and in the interests of openness and transparency I am writing to let you all know that British Gas has indicated to xoserve that it requires around 2,500 IAD accounts from 1st April 2008.

In view of the comments in the note and depending on other shippers required usage we would expect xoserve to reduce the IAD price before submission of the final Agency Charging Statement to Ofgem in March.

Regards

Kevin Woollard

Industry and Regulation Manager

Legal and Regulation

Centrica