



Mr J. Majdanski
Contracts Compliance Manager and
Secretary, Modification Panel
National Grid Transco
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Centrica Energy
Millstream East
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Tel. (01753) 431051
Fax (01753) 431150

Our Ref.
Your Ref.

3 March 2005

Dear Julian

RE Modification Proposal 739 – New Seasonal Demand Derivation and Associated AQ Impacts

Thank you for the opportunity to comment on this Modification Proposal.

British Gas Trading (BGT) offers qualified support for the implementation of this Modification Proposal.

Whilst BGT are supportive of the principals behind the modification proposal and are in agreement with the methodology, which has been developed by Transco and shippers via the Demand Estimation Sub Committee (DESC), BGT still have some concerns over the impact of this modification to the movement of supply points across the threshold and to the non-effect on SOQ's.

It is important to note that the proposal will result in higher levels of supply points than normal, moving from being Larger Supply Points to Smaller Supply Points. BGT is of the view that Transco should provide, within the Final Modification Report, a detailed analysis with regard to this issue as it is important that shippers fully understand how their NDM allocations will be affected by this change.

BGT have previously requested that this piece of analysis be undertaken by Transco, most recently at the DESC meeting on 23rd February 2005 and are disappointed by Transco's response that there are currently insufficient resources available to carry out this work, especially as we see this as being key to understanding the full implications of the modification proposal.

On a further point we would like clarification within the Final Modification Report as to why the SOQ values are not being reduced in line with the reduction of AQ values. Again this issue has been previously raised with Transco at the February DESC meeting, however we would appreciate a comprehensive response to our concerns.

Page 1

A *centrica* business

British Gas Trading Limited Registered in England No.3078711. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD
www.gas.co.uk

Please contact me if you require any further information.

Yours sincerely,

Simon Goldring
Head of Transportation