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Dear Julian

RE UNC Modification Proposal:- 0081 AQ Review Process – publication of information

Thank you for the opportunity to comment on these Modification Proposals.

As proposer, we are entirely supportive of the implementation of this Modification Proposal.

The purpose of the Modification Proposal is to improve the transparency of the Annual process of setting and revising Annual Quantities (AQs). It is evident from information provided to industry fora recently that there are still a number of Users that appear to be submitting appeals and amendments with a methodology designed to give a favourable outcome, rather than reflect the accuracy of this key data. We believe that the improved transparency of the AQ process will provide the necessary incentive upon Users to approach this exercise in a consistent and equitable manner. Any deviation from such approach would be evident to the rest of the industry, and to the regulator, and could therefore be addressed in an appropriate way.

We are aware that some of the information identified in this Modification Proposal is already made available to the industry through ad hoc reports. We are of the view that the transparency of the process will be much improved by a more structured regime included within UNC obligations.

We have only one observation on the draft legal text provided. The Modification Proposal itself specified the inclusion of the effect in energy terms of the movement in AQs arising from amendments and appeals. Although the drafting does provide for the reporting of the number of supply points in each category, as specified, the energy effect is not provided.

We believe that implementation of this Modification Proposal will further the relevant objectives, as specified in SSC A11 of the Gas Transporters licence, by:-

- Efficient and economic operation of the pipe-line system (para (a))

- Securing effective competition between relevant suppliers and shippers (para (d) (i) and (ii))

Please contact me if you require any further information.

Yours sincerely,

Mike Young
Commercial Manager