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Dear Julian,

RE: Modification Proposal 0216 - Introduction of an additional Discretionary Release Mechanism for NTS Entry Capacity and Modification Proposal 0216A - Introduction of Additional Pay-as-Bid Auctions for NTS Entry Capacity

Centrica Storage Limited (CSL) welcomes the opportunity to offer comments on the above modification proposals.

CSL supports both proposals as either would appear to provide NGG with a further mechanism to release additional NTS entry capacity to the market. However, CSL has a preference for NGG's Modification Proposal 0216 - Introduction of an additional Discretionary Release Mechanism for NTS Entry Capacity. We outline the reasons below.

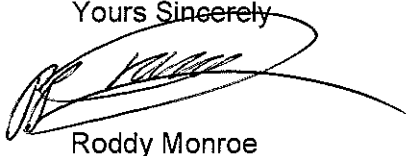
We understand that a number of shippers have concerns regarding NGG's mod proposal which relate to the level of discretion NGG would have to release additional capacity into the market and the potential for distortion particularly on the short term market. We believe that these concerns stem from the current absence of any clear process outlining when and how NGG would release additional entry capacity into the market.

Whilst CSL has a degree of sympathy with the concerns highlighted and attempted to be remedied by the alternate we believe that the likelihood of such behaviour to be remote (we have not witnessed such behaviour in the release of within day firm product) and hence we do not consider that the limitations proposed by the alternate outweigh the benefits of allowing NGG greater freedom to release additional entry capacity to the market.

We also understand that NGG has agreed to hold a review process after this coming winter to provide the opportunity to refine any shortcoming that may have been identified.

Finally, we urge NGG to address Shippers concern regarding the release process and set clear rules as to when and how NGG would embark on capacity release.

Yours Sincerely



Roddy Monroe