

Centrica Energy

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Our Ref. Your Ref.

8 December 2008

Dear John,

Mr. John Bradley

1st Floor South

31 Homer Road

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UNC Panel Secretary

Joint Office of Gas Transporters

<u>RE: Modification Proposal 0236 "Amendment to px (TGPP) Limited Network Entry</u> <u>Agreement"</u>

Thank you for the opportunity to comment on this proposal. British Gas supports its implementation.

There have been a number of examples recently where gas quality specifications contained within Network Entry Agreements have been revised – usually downwards – in order to align with GS(M)R specifications. This proposal seeks a similar change in respect of Wobbe and Lower Calorific Value (CV) limits. In addition, it seeks to reduce the maximum delivery pressure from 75barg to 70barg, this being the maximum rated pressure of the downstream network.

As with previous examples of this type of change, we believe that lowering gas quality specifications in order to align with GS(M)R could help to prevent gas being stranded offshore. This has clear security of supply benefits, as well as facilitating competition between relevant Shippers.

In respect of environmental considerations, we believe that adopting the Wobbe limit set out in this proposal could make additional gas available to the UK in a very tight supply situation, thereby potentially reducing the need for alternative and more polluting fuels e.g. distillate, to be used in place of natural gas.

We recognise that there may be more strategic considerations in respect of GB gas quality resulting from the cumulative effect of a number of entry specifications being aligned to GS(M)R, however we believe that that is a more fundamental debate to be had across the industry, and should not affect the implementation of this proposal.

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Should you have any queries with regard to this response please do not hesitate to contact me.

Yours sincerely,

Chris Wright Commercial Manager

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