



Mr J. Majdanski
Secretary, Modification Panel
Joint Office
National Grid Gas
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ

Centrica Energy

Millstream East
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Tel. (01753) 431059
Fax (01753) 431150

Our Ref.
Your Ref.

29 June 2007

Dear Julian,

RE: Modification Proposal 0147 – “Administration of Unsecured Credit Afforded on the basis of Payment History and Independent Assessment”

Thank you for the opportunity to comment on this proposal. British Gas Trading (BGT) does not support its implementation.

Unsecured Credit Obtained by Payment History

BGT believes that the introduction of the £250 rule set out in this proposal does not pose a significant risk to other Users. We understand from the proposal that the reduction to 50% or 0% for a first and second default respectively is permanent i.e. the User's credit rating does not recover to previous levels – this element is unchanged from the previous proposal (0113). On this basis, we do not object to this element of the overall proposal.

Unsecured Credit Obtained by Independent Assessment – Re-assessment

In its response to modification proposal 0113, BGT set out its objections to Transporters, and therefore other Users, cross subsidising this User assessment process. This proposal would appear to extend that cross subsidy, by placing the full financial responsibility for annual reassessment on the Transporter. BGT therefore does not support this element of the overall proposal.

Unsecured Credit Obtained by Independent Assessment – Agencies

BGT does not agree with the proposal that a User should be able to select the Agency that is to carry out the independent assessment. Whilst we recognise that this remains a

choice of three short-listed by the Transporter, we are concerned that this proposed amendment removes an important element of the integrity of this process. Under this proposal there is a greater risk that the end result may not be as fully independent. On this basis, we do not support this element of the overall proposal.

In summary, BGT views this proposal as a dilution of the original modification 0113, imposing further risks and costs on the shipping community for questionable benefit. We therefore do not support its implementation.

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

Yours sincerely,

Chris Wright
Commercial Manager