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For the Attention of Hannah Cook – Wholesale Markets

Centrica Energy

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Dear Hannah,

Re: Publication of Near Real Time Data at UK Sub-terminals (UNC Modification Proposal 006) – Ofgem Impact Assessment – Case Study

Thank you for the opportunity to comment on your further analysis of the potential impact of the changes that implementation of the UNC Modification Proposal 006 might have on the market. British Gas Trading Ltd. continues to support the increase in the release of information to the market and as previously stated we believe that a separate and open debate on the items of data that the market might value would be more useful. However, we offer the following comments on the specific questions raised in your letter and more generally on this proposal.

- 1) Our response to the situations described in Examples 1 and 2 depends more fundamentally on our own balance position on that day and general market sentiment rather than the specific changes in linepack information and/or the identification of the part of the network where changes might be occurring. It should also be noted that the linepack information is already available.
- 2) If near to real time sub-terminal flow data as described by Ofgem was available then we would not anticipate this changing any of our behaviour.
- 3) There are no clear benefits in these examples from the release of the real time sub-terminal flow data. The most likely result if this information was to be provided would be an increase in price volatility, and in the short term potentially an upward pressure on prices.
- 4) One of the consequences of this proposal is that if changes to terminal flows are due to unwished for changes in gas flows (whatever the cause) then if a party can be more readily identified as a distressed party they will face differing (increased) market exposure and risk as there is likely to be increased volatility in the market. Players are therefore likely to have to expend time and effort monitoring the data that this proposal would generate for their own protection rather than positive benefits to prices and competitiveness in the market.

Yours sincerely,

Simon Goldring Head of Transportation