



6 December 2007

Eddie Blackburn
NG House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Dear Eddie

BG Gas Services Limited Response to NTS Consultation GCM 11 "Retrospective Negative TO Entry Commodity Charge"

BG Gas Services Limited ("BG") welcomes the opportunity to comment on the proposals for changes to the charging methodology with regards to TO Over-recovery.

BG supports GCM 11 on the basis that it enables refund of TO Over-recovery in the event that GCM 09 or GCM 10 prove insufficient. It is reasonable that over-recovery due to entry charges should be returned to those shippers who pay entry charges rather than shared via the k mechanism with shippers who pay exit charges. It is also sensible that GCM 11 should only be triggered at the end of the formula year when the exact size of any over-recovery is known. This will avoid any unnecessary instability in charges.

BG remains concerned about the potential interactions between the nature of the entry capacity regime and the charging regime. I would therefore urge NG and Ofgem to take such interactions into account when making changes to either regime because of their potential impact on shippers' behaviour.

Yours sincerely,

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