



27 February 2008

Debra Hawkin  
NG House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Dear Ms. Hawkin

**BG Gas Services Limited Response to NTS GCD 05: Options for an SO Commodity Charge for NTS Storage Facilities**

BG Gas Services Limited ("BG") welcomes the opportunity to comment on National Grid's ("NG") discussion document.

BG is not convinced that there should be a an SO Commodity Charge for storage. We note that gas which uses storage is already "within the system" and therefore pays SO Commodity Charges. Given the small amount of money that an SO Storage Commodity Charge would raise, it is not clear that it would be efficient to levy such a charge. Furthermore there is the practical difficulty of whether such a charge should be levied on commercial flows / nominations or on physical flows (i.e. actual flows after allowing for any netting off of nominations). As NG have highlighted, apportioning costs on the basis of physical flows could result in significant costs simply to implement a Storage Commodity Charge. Again it is not clear that this would be efficient.

Given the above we are not convinced that the current arrangements do not already meet NG's Licence Objectives or the requirements of Gas Regulation 1775/2005. For these reasons we do not support the implementation of a separate Storage Commodity Charge.

I hope the above is helpful. Should you have any queries please contact me at the address above.

Yours sincerely,

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**Commercial and Regulation Manager**  
**Europe Downstream**

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