



December 7th, 2010

Mr. Tim Davis
Joint Office of Gas Transporters
First Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

Response to Proposed UNC Modification 0336: "The Introduction of a Balancing Neutrality Adjustment Charge for Cost Recovery Associated with Rating Services"

Dear Tim,

First Utility supports the above proposal. The provision of the service described in the Modification should reduce risk for market participants by providing an up to date view of the credit status of those parties who have an approved credit rating. However, we would like to echo Centrica's comments that there are existing UNC provisions for additional cost recovery and we are uncertain as to why these do not appear to have been made use of in this instance.

Please do not hesitate to contact me if you have any questions or would like any further information.

Regards,

Chris Hill

Regulation

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