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**Code Modification Proposal 336: The Introduction of a Balancing Neutrality Adjustment Charge for Cost Recovery Associated with Rating Services**

RWE npower offers support for the above Proposal.

RWE npower believe that it seems appropriate to have monitoring tools in place given the statistic in the Draft Modification Report that “since 2008 over 60% of the Financial Institutions, currently providing security, have been downgraded.” With credit risk information being made available this will reduce the risks associated with the downgrading of company ratings. It is the belief of RWE npower that the benefits of this service outweigh the costs.

As National Grid NTS does not have provision for this cost in its Price Control and the risk is borne through the neutrality process RWE npower believe the most appropriate mechanism to recover costs is through the neutrality invoice. However RWE npower would like to highlight that Users should not always absorb costs and that there are circumstances under which it would seem appropriate that National Grid do not pass through expenditure.

RWE npower wish to highlight that the current Legal text does not capture that changes to the third parties that provide Credit Rating Analytic Services may be subject to change. It would seem appropriate to alter the Legal Text at this stage such that if any providers were to change a subsequent Modification would not be required.

Yours Sincerely,

Jennifer Higgins\*  
Network Charging

\* sent by e-mail therefore unsigned

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