



# SCOTTISHPOWER

## Energy Wholesale

Bob Fletcher  
UNC Panel Secretary  
Joint Office of Gas Transporters  
31 Homer Road  
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7 December 2010

Dear Bob

**UNC MOD0336: The Introduction of a Balancing Neutrality Adjustment Charge for Cost Recovery Associated with Rating Services**

Thank you for the opportunity to comment on the draft Modification Report prepared in respect of this Proposal. This response is submitted on behalf of ScottishPower (SP).

Overall SP is supportive of the proposal. The service provided by both Moody's and S&P is useful and will assist in the early identification of adverse movement of Shipper credit ratings. This in turn would allow earlier enforcement and/or mitigating steps to be taken where necessary to reduce exposure. The only slight reservation that we have is that the value of the service may be limited as not all of the Shipper community will be rated and it may be considered that it is more likely that those without any such rating will be higher risk counterparties.

We agree that this proposal would promote efficiency in the implementation and administration of the UNC and so would facilitate that objective.

Should you have any queries on the above then please do not hesitate to contact me.

Yours sincerely,

**Gerry Hoggan**  
**Regulation Compliance Manager**  
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