



Tim Davis
Chief Executive
Joint Office of Gas Transporters
51 Homer Road
Solihull
West Midlands
B91 3QJ

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
eon-uk.com

Wednesday 21 September 2005

Dear Tim, please find our response to the following proposals.

Response to UNC Modification Proposals 023, 024, 025, 026, 027, 031, 032, 034 and 041

023, 31 and 041 Re-assessment of Unsecured Credit Limits

We support 023 and we do not support 031 and 041.

We share concerns with other Users that increasing the availability of unsecured credit would likely increase costs in the event of default, thereby increasing costs for other Users. It is for this reason that we cannot support implementation of either modification proposal 031 or 041 but we do support implementation of 023, which correctly mirrors the scope currently contained within the Code Credit Rules.

024 Independent Security Provision by an entity with an Investment Grade Rating of 'A' or above

We support.

025 Notice period for Credit Limit Downgrade and Remedies for Non-compliance

We support.

We consider this to be a pragmatic move to reduce the time available to take steps following reduction of a Users Credit Limit, thereby reducing Transporter risk.

026 Application of Charges consistent with Late Payment of Commercial Debts (interest) Act 1998

- Agree that all Users should be subject to appropriate incentives to ensure that they make payment in accordance with prevailing contracts, however;
- we are concerned that Base Rate plus 8% per annum may be considered penal
- Late payments often tend to be administrative
- There is no evidence that this level of charge will reduce the number of late payments received from Users

E.ON UK plc
Registered in
England and Wales
No 2366970

Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

027 Right of Set off under Uniform Network Code

We do not support this proposal as we favour modification proposal 034, as a preferable lower cost option.

032 Adjustment to the number of days in the VAR calculation to bring the Code Credit Rules into line with the Best Practice Guidelines, Conclusions document Feb 2005

We support.

034 Netting off Payments and Credits relating to Transportation Charges

We support.

We agree with the Proposer that the proposal promotes competition between shippers and suppliers, through simplifying and improving arrangements for payment of transportation charges and by keeping banking charges to a minimum.

This proposal better facilitates the relevant objectives, over and above modification proposal 027 as it ensures non-discrimination and consistency across the board where Users want to set-off. If a Users can only set-off where the Transporter elects, users connected to a particular DN may not be able to enjoy the same service, and thus reduced costs, as Users connected to another DN. Under modification proposal 027, there would also be increased costs to Users in having to deal with fragmented arrangements.

Yours sincerely

Christiane Sykes
Trading Arrangements
Energy Wholesale
02476 424 737