



Julian Majdanski  
Joint Office of Gas Transporters  
51 Homer Road  
Solihull  
B91 3JQ

Wales & West House  
Spooner Close  
Celtic Springs  
Coedkernew  
Newport NP10 8FZ  
T. 029 2027 8500  
F. 0870 1450076  
www.wwutilities.co.uk

Tŷ Wales & West  
Spooner Close  
Celtic Springs  
Coedcernyw  
Casnewydd NP10 8FZ

29th June 2007

**Re: UNC Modification Proposal 0146 “Acceptable Security Tools available to Users for Transportation Credit Arrangements”**

Dear Julian

Thank you for the opportunity to comment upon this Modification Proposal, the implementation of which WWU supports.

***1. The Modification Proposal***

Ofgem did not direct implementation of UNC Modification Proposal 0109 mainly due to concerns over the proposed legal text. This has been addressed within this Modification Proposal and we believe the legal text now more closely reflects the intentions of the proposal.

We supported the implementation of Modification Proposal 0109 for reasons which are still pertinent to Modification Proposal 0146. The acceptable security tools included within this modification are currently utilised by WWU, therefore inclusion within the UNC will clarify and reinforce their suitability. We believe that this will enable recognition of best practice and help ensure that there is no inappropriate discrimination and no inappropriate barrier to Shippers wishing to enter the market place.

***2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives***

We agree with the Proposer that the implementation of consistent credit processes will help ensure that there is no inappropriate discrimination and no barrier to entry and better facilitate the securing of effective competition.

***4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including:***

24 hour gas escape number  
Rhif 24 awr os bydd nwy yn gollwng

**0800 111 999\***

\*calls will be recorded and may be monitored  
caiff galwadau eu recordio a gellir eu monitro

Wales & West Utilities Limited  
Registered Office:  
Wales & West House, Spooner Close, Coedkernew, Newport NP10 8FZ  
Registered in England and Wales: No. 5046791

***d) Analysis of the consequences (if any) this proposal would have on the level of contractual risk of each Transporter under Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal.***

The Proposer asks the other Transporters to comment on the level of contractual risk that is associated with tools other than bi-lateral insurance products. We agree with the proposers comments in respect of bilateral insurance and their comment that the other tools are already acceptable to Transporters and therefore there is no increased risk in respect of these.

The Proposer also states that where a Transporter is able to demonstrate that it has implemented credit control, billing and collection procedures in line with the Guidelines, it may be in a position to secure pass through of any bad debt it incurs which in turn would be shared by the community via price increase to recover the bad debt.

***10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal***

We have not identified any additional advantages or disadvantages to those contained in the Proposal. We acknowledge the concerns raised in discussions at Distribution Workstream regarding the discriminatory impact on non England & Wales guarantee providers, particularly in respect of those registered in Scotland, and the resultant additional User costs of providing legal opinions.

If you have any questions relating to this Representation please do not hesitate to contact me.

Yours sincerely

Simon Trivella  
Commercial Analyst  
Wales & West Utilities