



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 0148 “Aggregation of Credit Positions or Use of Group Ratings”

Dear Julian

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

1. The Modification Proposal

Modification Proposal 0148 has been brought forward to replace Modification Proposal 0112. Ofgem did not direct implementation of Proposal 0112 mainly due to a dependency on legal text contained in Modification Proposal 0109 which was not implemented. Modification Proposal 0148 will only address this issue if Modification Proposal 0146 is implemented due to this continued interdependency. We believe Modification Proposal 0146 addresses the legal text issues which led to the non implementation of Modification Proposal 0109 and as such this interdependency, whilst not ideal, may be overcome.

We supported the implementation of Modification Proposal 0112 for reasons which are still pertinent to Modification Proposal 0148. The proposal matches current custom and practice in line with Wales & West Utilities' Code Credit Rules. Inclusion within UNC will reinforce these arrangements and ensure consistent application by all parties.

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 has asked the other Transporters to comment on whether this Proposal would change the level of Transporters contractual risk, we do not anticipate any additional risks for WWU as the content of this Proposal mirrors the current WWU Code Credit Rules.

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.

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