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7 February 2008
Your Reference 0190

Re: Modification Proposals 0190 'Clarification of Aggregation of Credit Positions using a Guarantee from a Security Provider'

Dear Julian,

Thank you for your invitation seeking representations with respect to the above UNC Modification Proposal. National Grid Distribution supports its implementation.

We are not opposed in principle to the use of a Guarantee in addition to unsecured credit afforded on the basis of payment history or an independent assessment and from therefore support the aim of the Proposal. We acknowledge that the proposer seeks to maintain the requirement for the guarantee amount (in aggregate with any other unsecured credit provided) not to exceed the provider's ability to bear risk and we consider that this is a key check and balance to minimise the risk of bad debt and potential pass through to the industry.

We trust these comments are useful for compilation of the Final Modification Report.

Please contact Chris Warner on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Phil Lawton
Distribution Regulation Manager