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Wednesday, 6th February 2008

Dear Tim,

RE: Modification Proposal 0190 - Clarification of Aggregation of Credit Positions using a Guarantee from a Security Provider

E.ON UK **supports** implementation of this proposal.

We welcome the clarification that would be brought about by implementation of this Modification Proposal in respect of the Code Credit Rules. On this basis, and because it more closely aligns the UNC with best practice guidelines, we believe that the proposal will further the relevant objectives in respect of efficient administration of the UNC.

On a more general note, it is disappointing to see minor, almost “administrative” Mods being raised to effectively correct recently implemented Mods (in this case Mod 0148, but also evident in Mod 0182 – *Information Provision at LNG Importation Facilities*). The need for this Modification Proposal suggests that the original (Mod 0148) may not have been sufficiently developed and it is unfortunate that an alternative Mod was not raised at the time to address the problem being dealt with here. We believe the onus should remain on the proposer to bring forward fully developed proposals to the consultation stage of the governance process.

Yours sincerely

Richard Fairholme (by email)
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