



John Bradley  
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Tuesday, 9<sup>th</sup> December 2008

Dear John,

**RE: Modification Proposal 0234 - To Correct Drafting Inconsistencies between Sections X and V of the UNC in Respect of User Default and Termination**

E.ON UK **supports** the implementation of this Proposal, which forms part of a trio of separate Modification Proposals raised following a review of Code credit rules undertaken recently by the Energy Balancing Credit Committee (EBCC).

We support the intent of this proposal to allow a Termination Notice to take effect on the day that the termination notice is issued. This should ensure that the industry exposure to financial loss is minimised in the event of the failure of a User, when compared to the *status quo*.

We agree with the proposer that the Proposal better facilitates achievement of the following relevant objectives:

*(d)... the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers....*

Implementation of this Modification Proposal would facilitate this objective by reducing Users' exposure to unnecessary risk. Whilst not directly enhancing competition, it would help secure effective competition by minimising any potential costs to all shippers and suppliers from a User Default.

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*(f) – so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;*

Implementation of this Modification Proposal would result in consistent processes for similar situations.

Yours sincerely

**Richard Fairholme (by email)**  
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E.ON UK