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**Code Modification Proposal 315: To Enhance Section X of the UNC Transportation Principal Document to improve the Energy Balancing Further Security Process**

RWE npower offers support for the above Proposal.

RWE npower believes that the above Proposal would reduce the risk to Users if a User were to persistently run an imbalance. There is the potential in energy balancing for significant debts to accrue quickly which need to be dealt with efficiently and effectively to ensure that a large bad debt is not passed through to all Users. By obtaining 3 Further Security Requests within a 28 day period, RWE npower believe, gives a User an appropriate amount of time to respond and increase their cover thus offers support for the Proposal. A 12 month re-basing period also seems appropriate such that it will give other Shippers the security that the industry is better protected against other Users' debts.

In the Proposal it states "Users would be aware of the rules and upon receipt of a second FSR" however RWE npower would note that it is appropriate that Further Security Request notices are altered such that it is explicitly clear what the implications of not responding to the notice are.

RWE npower's legal team have also commented that clauses in Sections 2.10.13, 2.10.14, 2.10.15 and 2.4.1 are unclear.

It is suggested the drafting of Section 2.10.13 should read;

*"In the event where a User is issued a 3rd Further Security Request within the 28 day measurement period, the User's prevailing Cash Call Limit shall be **reduced** by a percentage determined in accordance with the Energy Balancing Credit Rules. A notice in the form set out in the Energy Balancing Credit Rules advising the User of the revised Cash Call Limit will be issued to the User as soon as reasonably practicable following such event. Such revised Cash Call Limit shall remain in force for a period of not less than 12 months ("**Re-basing Period**") from the issue date of the notice."*

It is suggested the drafting of Section 2.10.14 should read;

*"Where the User **represents** that the revised Cash Call Limit has been calculated erroneously the User **may (but not later than 12.00 hours on the Business Day following issue of the notice)** appeal such notice specifying in as much detail as **is** possible the User's reasons for **such representation**."*

It is suggested the drafting of Section 2.10.15 should read;

**"In the event of any subsequent issue of a Further Security Request during the Re-basing Period and in the absence of an appeal held in accordance with**

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**X2.10.14 above**, the User's Cash Call Limit will again be reduced by a further percentage as determined in the Energy Balancing Credit Rules and a **revised** Re-basing Period will commence following the issue of a relevant notice."

It is suggested the drafting of Section X2.4.1 should be altered as it currently refers to section X2.13 and RWE npower believe it should be X2.1.3.

Yours Sincerely,

Jennifer Higgins\*  
Network Charging

\* sent by e-mail therefore unsigned