



SCOTTISHPOWER

Energy Wholesale

Bob Fletcher
Modification Panel Secretary
Joint Office
31 Homer Road
Solihull
West Midlands B91 3LT

24 August 2010

Dear Bob,

MOD0315 – To Enhance Section X of the UNC Transportation Principal Document to improve the Energy Balancing Further Security Process

Thank you for the opportunity to respond to this Modification Proposal. This response is submitted on behalf of ScottishPower Energy Management Ltd (SP). We support the implementation of this Modification Proposal.

We appreciate the work of the Energy Balancing Credit Committee in considering the credit issues around Energy Balancing and the recognition of the need to ensure that adequate levels of security are maintained to meet Cash Calls and Further Security Requests.

We welcome this Proposal as being the product of those deliberations. We believe that it represents a proportionate solution to the issues involved and that it will incentivise Users to provide and retain sufficient security. We agree that this will in turn contribute to the effective management of the risk of default.

We believe that implementation of this Proposal will better meet Standard Condition A11.1 (d) (i) in that it will help secure effective competition between relevant Shippers.

I hope you find these comments useful. Should you have any queries on the points raised, please feel free to contact us.

Yours sincerely

Gerry Hoggan
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