

## Representation

### Draft Modification Report

#### 0360 – Removal of Credit Rating Restrictions from Definition of Parent Company

**Consultation close out date:** 19<sup>th</sup> May 2011

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** Gazprom Marketing & Trading Retail (GMT&R)

**Representative:** Steve Mulinganie  
Regulation & Compliance Manager

**Date of Representation:** 16<sup>th</sup> May 2011

**Do you support or oppose implementation?**

**GMT&R supports Modification 0360**

**Please summarise (in one paragraph) the key reason(s) for your support/opposition.**

**GMT&R believe it corrects an unintended consequence arising from recent changes to credit arrangements. By defining a parent company as one with a long term debt rating of at least "BB-" smaller companies are excluded from this avenue.**

**Are there any new or additional issues that you believe should be recorded in the Modification Report?**

**No**

### **Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

**We agree implementation would better facilitate Relevant Objective d.**

**It will allow more equitable credit arrangements for Smaller Users thus removing a barrier to entry and helping secure effective competition.**

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

**The ability for smaller Users to access Parent Company Guarantee's rather than more expensive forms of credit will remove a potential barrier to entry.**

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

**We would like to see implementation as soon as reasonably practicable, preferably before 1<sup>st</sup> July 2011 as other changes under UNC305 come into effect on this date.**

### **Legal Text:**

*Are you satisfied that the suggested legal text will deliver the intent of the modification?*

**Yes**

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

**No**