

Representation

Draft Modification Report

0360 - Removal of Credit Rating Restrictions from Definition of Parent Company

Consultation close out date: 19 May 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: **RWE npower**
Representative: Jennifer Higgins
Date of Representation: 18th May 2011

Do you support or oppose implementation?

Support

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

In our response last year to Modification 305, RWE npower argued for a non-discriminatory approach in which all Users had the same access to Payment History. On the same basis RWE npower believe that allowing Users with a lower credit rating to obtain a Parent Company Guarantee will have a positive impact on the industry promoting more equitable competitive conditions.

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?

RWE npower believe the modification facilitates objective d) Securing of Effective Competition. Allowing suppliers whose Parent Company has a lower credit rating to benefit from Parent Company Guarantees may act to reduce their costs and hence increase competition.

Impacts and Costs:

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

None

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Implementation:

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

RWE npower would support implementation on 1st July 2011.

Legal Text:

Are you satisfied that the 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.

RWE npower believe there may be additional risk through implementation of this Modification due to transportation credit debts not being recovered from a defaulting party. However, RWE npower does not believe this risk significantly exceeds that posed by the current Payment History arrangements.