



SCOTTISHPOWER

Energy Wholesale

Bob Fletcher
Joint Office of Gas Transporters
First Floor South
31 Homer Rd
Solihull
B91 3LT

14 March 2011

Dear Bob,

MOD0360 - Removal of Credit Rating Restrictions from Definition of Parent Company

This initial representation is made on behalf of ScottishPower. We are generally supportive of the Proposal as it currently stands and would wish to make the following observations: -

- The current provisions concerning who may provide a Parent Company Guarantee are strict and work to the detriment of shippers whose parent company has a low credit rating;
- We are of the view that if a shipper has a parent that is more financially sound than the shipper itself then a Parent Company Guarantee should be an allowable option regardless of whether it is rated above BB- or not; and
- Relaxing the current provisions should reduce barriers to entry for smaller shippers without necessarily creating any greater risk exposure

We look forward to the output from the Workgroup once it has had an opportunity to consider the Proposal further.

Should you have any queries on the above then please do not hesitate to contact me.

Yours sincerely,

Gerry Hoggan
Regulation Compliance Manager
0141 568 4492