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9th December 2011
Your Reference:UNC Modification Proposal 0375

Re: UNC Modification Proposal 0375:
Changes to how Unsecured Credit Limits are determined within UNC TPD Section V 3.1.7
(Independent Assessments)

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which National Grid Gas Distribution (NGD) would like to support.

Do you support or oppose implementation?

Support/~~Qualified Support/Neutral/Not in Support/Comments~~* *delete as appropriate*

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

We are aware that this Modification Proposal was adopted and varied by the Proposer and proposes to remove the use of the Independent Assessment Score from UNC TPD Section V 3.1.7 and for the Unsecured Credit Limit to be based solely on the credit value contained within the Independent Assessment.

We support this principle and welcome the opportunity taken by the Proposer to utilise analysis carried out in the original 0375 Workgroup to inform development of the proposal. Information produced pertaining the electricity market has also proven helpful. In our opinion this has enabled an optimal solution to be identified as set out within the Modification Proposal.

We also note that the provisions for an annual review detailed in UNC TPD 3.1.8 have also been amended to clarify that reviews may be carried out more frequently at the Transporter's discretion. As is the case with the existing arrangements, any more frequent review carried out by the Transporter would not be chargeable to the User. We support this enhancement to the Modification Proposal.

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

We have not identified any such issues.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree with the proposer that implementation of this Modification Proposal would better facilitate the achievement of relevant objective f) Promotion of efficiency in the implementation and administration of the Code. Our opinion is that, as identified within the Draft Modification Report implementation would give clarity to how an Independent Assessment would result in the determination of a Users Unsecured Credit Limit. This would be achieved by removing an unduly complicated process from the UNC that is not appropriate and has to our knowledge not been utilised to determine a User's Unsecured Credit Limit.

Impacts and Costs:

We have not identified any costs which may be incurred in implementing this Modification Proposal.

Implementation:

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

We believe that this Modification Proposal can be implemented with immediate effect upon direction.

Legal Text:

We are satisfied that the legal text as published by the Joint Office meets the requirements of the Modification Proposal.

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

We have not identified any such matters.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information.

Yours sincerely,

Chris Warner
Network Code Manager, Distribution