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Modification Panel Secretary
Joint Office of Gas Transporters
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Dear Julian,

Modification Proposal 0190 - Clarification of Aggregation of Credit Positions using a Guarantee from a Security Provider

Thank you for the opportunity to comment on this Modification Proposal. Scotia Gas Networks supports implementation of this Modification Proposal.

This proposal has been raised following implementation of Modification Proposal 0148 which was raised to amend the UNC so that was consistent with the Ofgem Best Practice Guidelines; allowing Users to aggregate their credit positions and make use of group ratings, for example Parent Company Guarantees (PCG). SGN supported implementation of Modification Proposal 0148 as it outlined principles and procedures already utilised by SGN and believed implementation would improve transparency and ensure consistency across all Transporters.

Modification Proposal 0190 seeks to further clarify the provisions contained within the UNC to include the use of a Guarantee provided by a Security Provider in addition to an Unsecured Credit Limit based on Users own Approved Credit Rating, payment history or independent assessment. Corresponding changes to legal text are proposed and set out in the Draft Modification Report.

SGN believe that implementation of this proposal would help facilitate relevant objective A11.1(c) and A11.1(f). We believe the proposal brings improvement to the current arrangements, adds clarity to the UNC and provides greater transparency with regard to arrangements. As such this should help facilitate competition and bring about increased efficiency in implementation and administration of the UNC. However SGN believes that following further consideration and review of the suggested legal text, specifically section V3.1.6.(b) '.....pursuant to paragraph 3.4.5.....' should **not** be deleted as it provides greater clarity on a set list of security providers that can be used. If this section were removed the full benefits may not be realised as legal text would be ambiguous.

We hope you find these comments helpful

Yours sincerely

Bali Dohel
Network Officer