



Tim Davis
Joint Office of Gas Transporters
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9 December 2008

Dear Tim

Re: UNC Modification Proposals 0233 - Changes to Outstanding Energy Balancing Indebtedness Calculation, 0234 - To Correct Drafting Inconsistencies between Sections X and V of the UNC in Respect of User Default and Termination and 0235 - Recovery of Debt and Smearing of Revenues via Energy Balancing Neutrality

Thank you for the opportunity to comment on the above proposals relating to the GB markets energy balancing regime. Corona Energy (CE) has been involved in the discussion and drafting of the three modification proposals and strongly supports all three.

The suite of modification proposals have been raised to reflect the experience gained by the industry in recent months during which a large financial institution, operating as a physical trader of gas at the NBP, entered bankruptcy. This highlighted a number of areas where the existing EBCC credit rules and energy balancing regime could be tightened to reduce the risk of such a failure to the active community of gas shippers and thereby upon the costs borne by the gas consumers.

Following the reviews of the Energy Balancing Credit Rules and UNC Sections on Energy Balancing Credit Management in September 2008, the Energy Balancing Credit Committee came up with the conclusion that a suite of modifications were needed to tightened the UNC processes. These changes reflect the unprecedented financial and economic downturn and the speed at which previously solvent financial institutions have seen their credit ratings downgraded leaving them unable to pay cash calls or provide credit.

CE believes the three modifications represent a necessary but proportional response to the current environment.



I trust these comments are helpful. If you have any queries regarding this response please contact me on 0208 632 8169.

Yours,

Richard Street*
Regulatory Affairs Manager
Corona Energy

*please note as this letter has been delivered electronically a signature will not be attached