



Mr. John Bradley
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Our Ref.
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Dear John,

RE: Modification Proposal 0233 "Changes to Outstanding Energy Balancing Indebtedness Calculation"

Thank you for the opportunity to comment on this proposal. As the proposer, we fully support its implementation.

This proposal has been raised further to the recent focus on energy balancing credit as a result of the ongoing turmoil in the financial markets. We are grateful to the EBCC for its continued diligence in these matters, and for its assistance in drafting this proposal (one of three stand-alone energy balancing proposals being brought forward at this time).

This proposal seeks to bring forward two separate changes to the UNC. The effects of both of these are to provide greater flexibility when managing energy balancing matters. This greater flexibility will work both ways. It will allow more appropriate action to be taken when a User is, or is suspected of, experiencing financial difficulties. This flexibility can also be used to prevent inappropriate action from being taken when the information held about it suggests that it may be experiencing difficulties, but that User may, in fact, already have taken appropriate action to remedy its position.

We believe that this increased flexibility, leading to more appropriate treatment of Users in respect of energy balancing, will lead to the facilitation of greater competition between Shippers. This will result from (i) the use of the most appropriate data to assess Users' energy balancing position, potentially reducing an energy balancing smear in the event of a Shipper failure, and (ii) the potential to prevent inappropriate termination of a User, meaning more Users remain active in the market.

Should you have any queries with regard to this response please do not hesitate to contact me.

Yours sincerely,

Chris Wright
Commercial Manager