<Name>
<Address Line1>
<Address Line 2>
<Address Line 3>
<Address Line 4>

<notice date>

Re: Uniform Network Code Transportation Limit 100% Utilisation

Dear *<Name>*,

In accordance with Transportation Principal Document (TPD) Section V3.3.1 of the Uniform Network Code (UNC), I am writing to notify you that as at 6.00am UK time on *<date>* your Value at Risk as defined in the UNC exceeded 100% of your Code Credit Limit. This, for information only, is based on a Value at Risk then of *<(£)value>*.

Please note that while your Value at Risk continues to exceed 100% of your Code Credit Limit this notice remains valid whatever the amount of the Value at Risk.

On behalf of Wales & West Utilities Limited I notify you that within 2 Business Days from the date of this notice you are required to provide additional surety or security in an amount not less than *<(£)value>*.

I would appreciate it if you could confirm before 16.30 UK time today (*<date>*) what action you intend to take in respect of the above.

You may wish to seek legal advice in relation to this notice but to assist you UNC TPD Section V 3.3.1 (b) states:

"… at any time following any notice given pursuant to (a) above, the User's Value at Risk exceeds 100% of its Code Credit Limit, the Transporter will notify the User of such event, giving such User 2 Business Days from the date of such notice to provide additional surety or security for the amount specified by the Transporter in the notice in order to reduce its Value at Risk to below 100% of its Code Credit Limit."

May I also draw your attention to the following sections of the UNC:

TPD Section V 3.3.2 (c) & (d):

(c) *subject to paragraph 3.3.1, where and for so long as the User's Value at Risk exceeds 100% of the User's Code Credit Limit, the Transporter shall be entitled to reject or refuse to accept all or any of the following by the relevant User:*

i)   *an application for System Capacity or increased System Capacity at any System Point under Sections B or G5; and/or*

ii)   *a notice of appointment under Section B3.13.8 if the User is the proposed Overrun User;*

iii)   *in relation to the NTS:*

       (1) a System Capacity Trade under Section B5 in respect of which the User is Transferee User;

       (2) a System Capacity Assignment under Section B6 in respect of which the User is the Assignee User;

until such time as the User's Value at Risk is reduced to less than 100% of its Code Credit Limit; and

(d)   *where from the fifth Business Day after the date specified in the notice, the User's Value at Risk exceeds 100% of the User's Code Credit Limit, the Transporter shall be entitled to reject or refuse to accept a Supply Point Nomination or Supply Point Confirmation under Section G, other than a Supply Point Renomination or Supply Point Reconfirmation until such time as the User's Value at Risk is reduced to less than 100% of its Code Credit Limit.*

and TPD Section V 3.3.3:

Subject to paragraph 3.3.1, where and for so long as the Value at Risk of the User for the time being exceeds 100% of the User's Code Credit Limit, the Transporter may give Termination Notice (in accordance with paragraph 4.3) to the User.

If you have any queries relating to this notice or any other issues in respect of the Credit & Risk Management process, please do not hesitate to contact the undersigned.

For the avoidance of doubt, may I remind you that this notice relates to Transportation indebtedness to Wales & West Utilities Ltd only and has no connection with Energy Balancing liability.

Please acknowledge receipt of this letter by signing and returning the attached copy letter.

Yours sincerely

Sue Davies
Transportation Credit Manager
Wales & West Utilities Ltd
Tel: 02920 278839
Fax: 0845 0720855

Received   : Signature………………………….
             Name ……………………………..
             Date ……………………………..