

Steve Mackey  
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**Date** 22 March 2004

Dear Steve,

**GB Consultation for Balancing and Settlement Code Modification Proposal P152**

Thank you for giving EDF Energy the opportunity to respond to the GB consultation for Balancing and Settlement Code Modification P152, "Reduction of Credit Cover for a Trading Party in Default which has ceased trading and which has paid all accrued Trading Charges".

EDF Energy believes that P152 would represent too much risk for the remaining participants in the GB market because a defaulting Party should have Credit Cover lodged to cover any reconciliation charges that may arise from the Disputes Final Settlement Run.

The latest Audit resulted in BSC Auditor issuing a qualified audit, and data quality issues are likely to be around for some time. This will mean re-running settlement disputes runs after Final Reconciliation Settlement Runs have been performed. Retaining Credit Cover provides a reassurance that when a dispute process is finalised there will be funds available from all Parties to cover their liabilities.

If you have any comments on the above please contact Helen Bray on 020 7752 2518, or myself.

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