

## Representation - Draft Modification Report 0587

### Seasonal Energy Balancing Credit Cover

Responses invited by: **5pm on 06 October 2016**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Philip Hayward
<b>Organisation:</b>	Opus Energy Ltd
<b>Date of Representation:</b>	06/10/16
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	<b>d)</b> Positive

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

This modification is positive against objective d) – effective competition between shippers. The more risk-reflective collateral will free up funds in summer months, enabling more effective competition at this time of year. In addition, it also supports competition by levelling out the impact of the current arrangement where shippers with inherently flatter load profiles are less affected. It achieves this without increasing the risk to the industry of financial loss from shipper default as users are still obliged to have enough collateral to cover their exposure at any given point in time.

**Self-Governance Statement: *Please provide your views on the self-governance statement.***

We agree this modification is not self-governance as we expect it will have a material positive impact on competition between shippers

**Implementation: *What lead-time do you wish to see prior to implementation and why?***

We agree with the implementation timescales proposed in the modification – ideally by May 17 so that users can take advantage of the new system to withdraw funds in summer 17.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

No additional costs but a benefit from having reduced a reduced collateral requirement in summer months.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No

**Please provide below any additional analysis or information to support your representation**