

## 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>	Graham Jack
<b>Organisation:</b>	British Gas Trading Limited
<b>Date of Representation:</b>	04 October 2016
<b>Support or oppose implementation?</b>	Qualified Support
<b>Relevant Objective:</b>	<b>d)</b> Positive

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

We recognise and understand the motivation behind this modification proposal and how it may help some shippers to provide credit cover for energy balancing that is more closely aligned with the level of credit risk they potentially pose from season to season. We offer qualified support for the proposal, our qualification being that those shippers who avail themselves of the new product should fully account for the cost in providing it.

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

We agree that this proposal should not be subject to self-governance but should be considered in conjunction with an assessment of how the costs of the service will be recovered.

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

The May 2017 timescale suggested in the Draft Workgroup Report appears reasonable.

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

Costs and impacts will depend on the extent to which we and our competitors avail themselves of the new service. The costs of providing the service should be borne by those who choose to use it as this would be clearly cost-reflective.

**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.*

None identified

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