

Representation - Draft Modification Report 0587

Seasonal Energy Balancing Credit Cover

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

To: enquiries@gasgovernance.co.uk

Representative:	Gerry Hoggan
Organisation:	Scottish Power
Date of Representation:	28 September 2016
Support or oppose implementation?	Support
Relevant Objective:	d) Positive

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

We are comfortable that this Modification Proposal would introduce, for smaller parties particularly, the option of a more proportionate and manageable collateral requirement, while retaining sufficient safeguards to ensure that the wider gas shipper community faces no greater exposure to credit default. Shippers who would not benefit to the same extent may simply elect to continue to operate within the current arrangements and so should not suffer adversely.

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

We agree with the view expressed in the Workgroup Report that this Modification Proposal is not suitable to be progressed via self-governance as it may impact on competition between shippers

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

If possible implementation ahead of the envisaged summer 2017 season would appear appropriate to allow parties to exercise the option provided by this change. Failing that then the change should be implemented as soon as possible thereafter.

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

None

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

We are comfortable that the legal text should deliver the intent of the Solution

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

None