

DEVELOPMENT WORK GROUP - TERMS OF REFERENCE
PROPOSAL REF: 0103 - REMOVAL OF THE COMMUNITY
SECURED CREDIT LIMIT

Composition:

TransCo: Sara Higgins
Rebecca Brealey
Paul McKie
Phil Carter

Shippers: Martin Stanway-Mayers (BP)
John Nangle (Amerada)
Tim Jones (Contract Natural Gas)
Ken Double (BGT)
Nick Wye (Agas)
Rob Barnett (ENG (Retail)Ltd)
David Aron (Bell Gas)

OFGAS: Peter Lambert

Scope of Development Group:

The aim of this Modification Proposal is to re-examine the Community Limit (currently £250,000) with the objective of removing the limit. This would encourage Shippers to securitise their operations to a level appropriate to their energy balancing operations and would reduce the costs arising from Shipper defaults (see Modification Proposal)

It is proposed that a development work group is formed in accordance with section 8 of the Modification Rules. This group will debate implications of the change and report its findings.

Work to be undertaken:

Principal Document Section Su2.

Nature of Proposal

The review group will need to consider the following:

- (a) the existing secured credit limit rules.
- (b) the implications of the changes to or removal of the secured credit limit.

Timetable:

12th December 1996	Panel Meeting
17th December	Circulate Modification Proposal and Terms of Reference to Shippers to invite representations
10th January 1997	Close of representations
after 10th January	Convene Development Work Group
6th February	Circulate draft modification report to Panel Members
20th February	Modification Panel to review draft Modification Report
24th February	Draft Modification Report circulated to Shippers for representations (10 days)
10th March	Close of representations
13th March	Final Modification Report to Ofgas
1st April	Modification implementation date
1st October	Modification effective date