



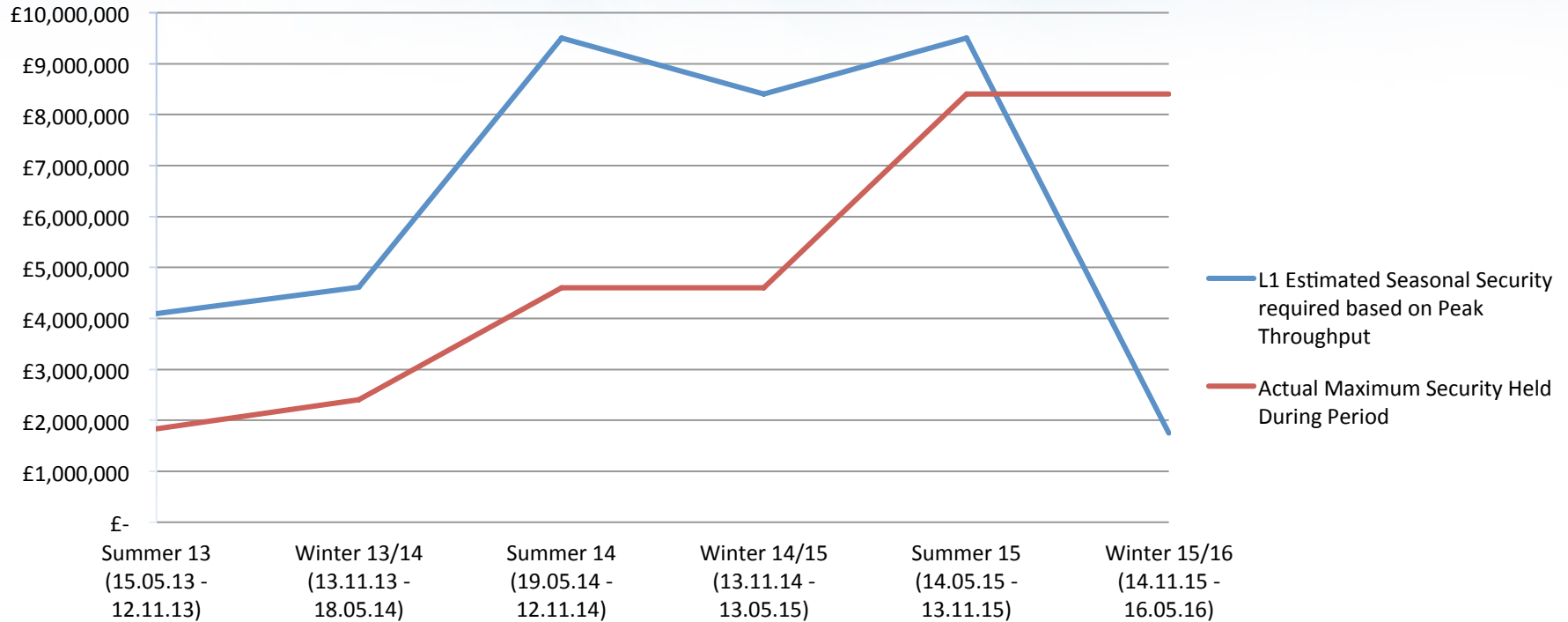
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Seasonal Energy Balancing Credit Cover

Analysis provided by Xoserve Limited in respect of 2 Small, 3 Medium and 2 Large Portfolio Shippers.

The information shows the value of Energy Balancing Security required over the last 3 years based on net peak indebtedness if profiled over Summer/Winter periods specified in Modification 0587 – compared to the maximum Security held during that period.

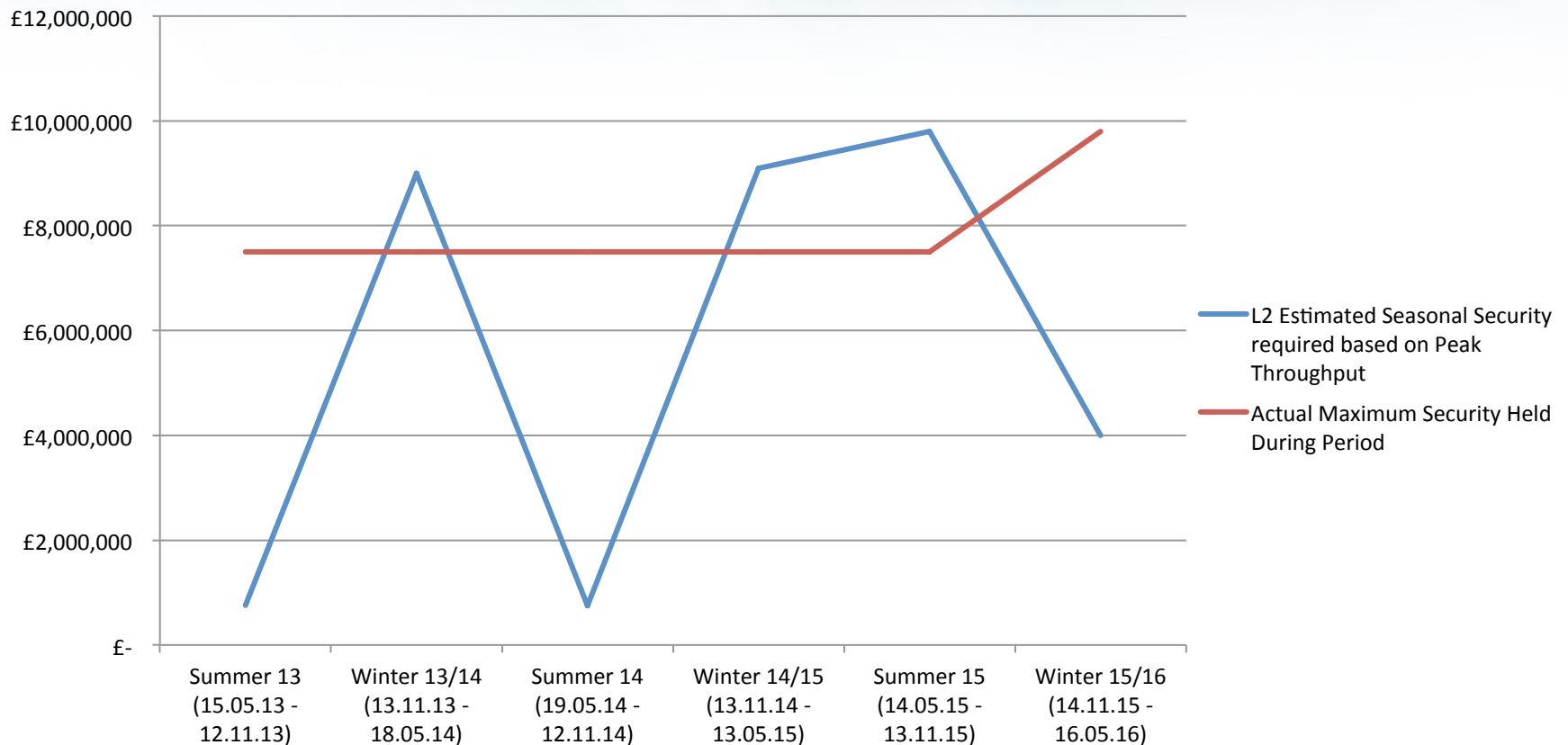
Large Portfolio Shipper Example 1



- * Have moved their activities from one Licence to another Licence - resulting in increased Portfolio
- * Significant funds in the cash call account
- * Overlap in dates for the annual security review
- * Original security in the form of deposit deed and moved to an LOC
- * Security supported by an FSR (Desposit Deed)
- * Number of cash calls issued due to imbalancing

Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

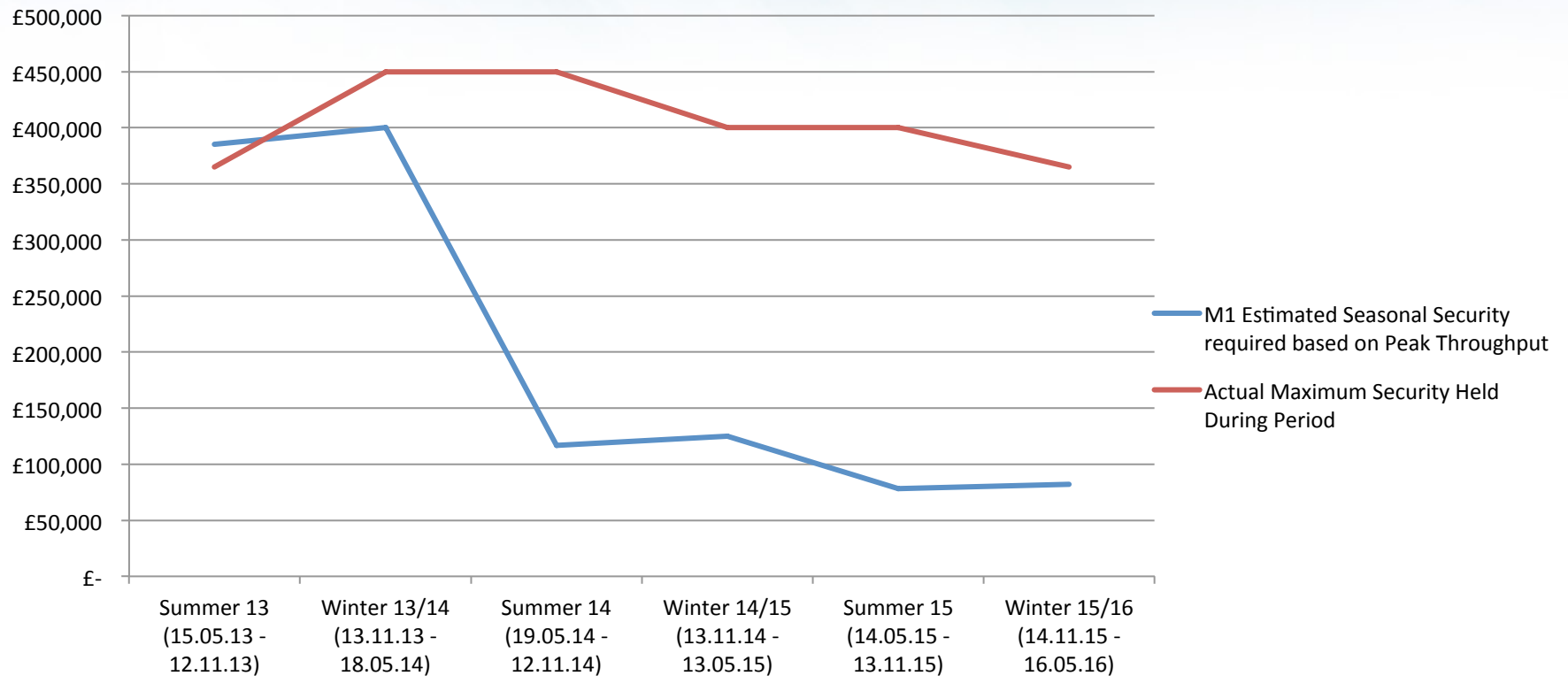
Large Portfolio Shipper Example 2



* Security in the form of an LOC
 *Overlap in dates for the annual security review
 * Funds were held in the Cash Call Account

Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

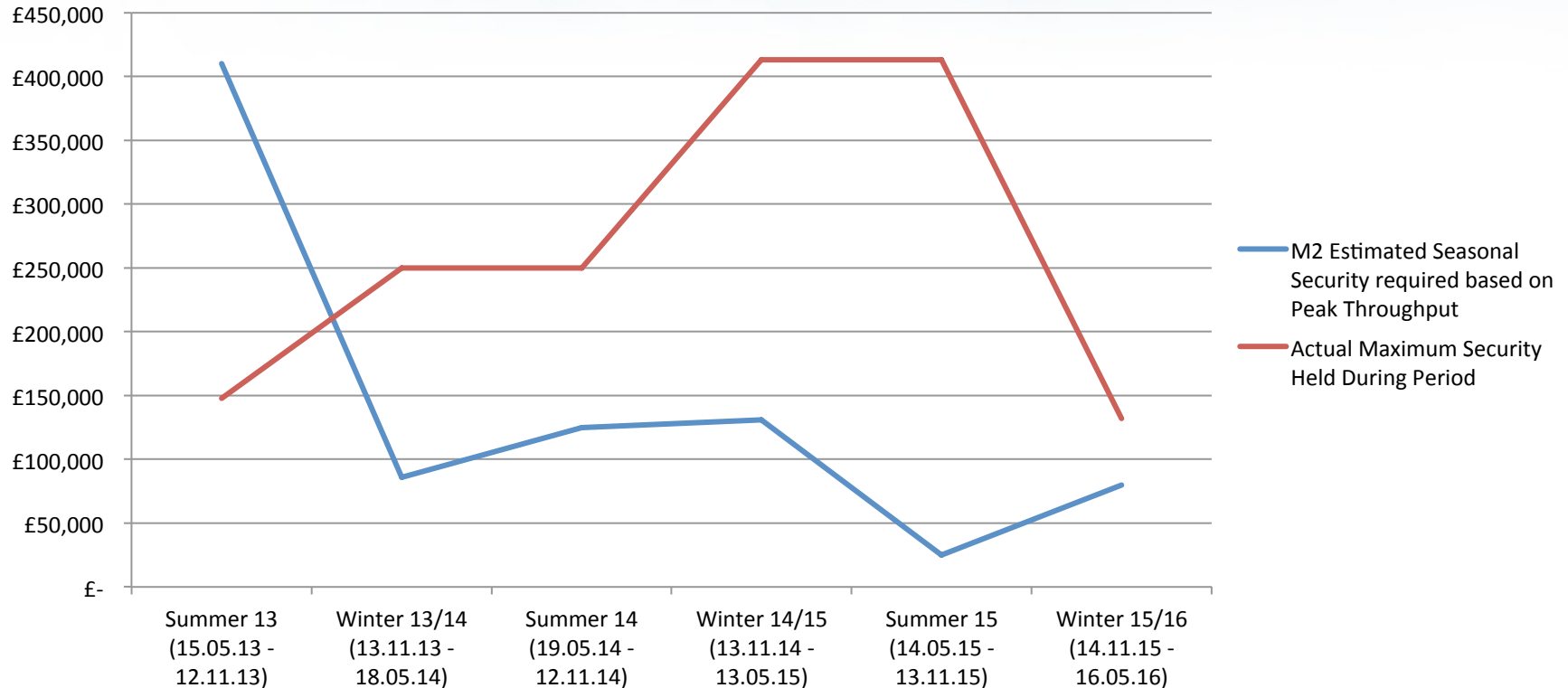
Medium Portfolio Shipper Example 1



- * Overlap in Security Annual Review
- * Security is based upon historic 12 month indebtedness
- * 2015 Increased Portfolio
- * Shipper overestimated forecast of throughputs
- * Renewal expected to be £185,000

Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

Medium Portfolio Shipper Example 2



*Security held as Deposit Deed

* Funds in Cash Call account

*Highlights maximum security held but not necessarily for the full period

* Overlay in Annual Security Renewal

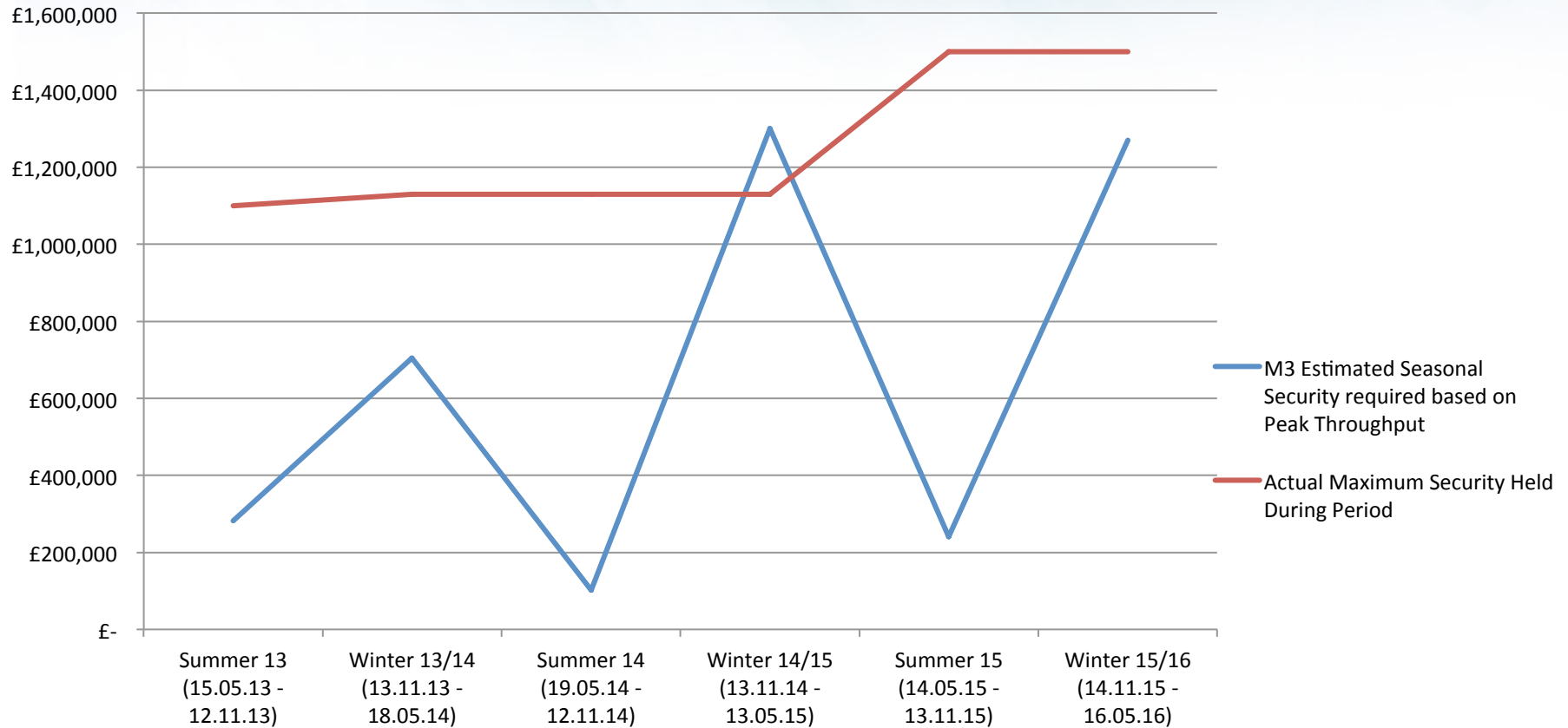
Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

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Medium Portfolio Shipper Example 3

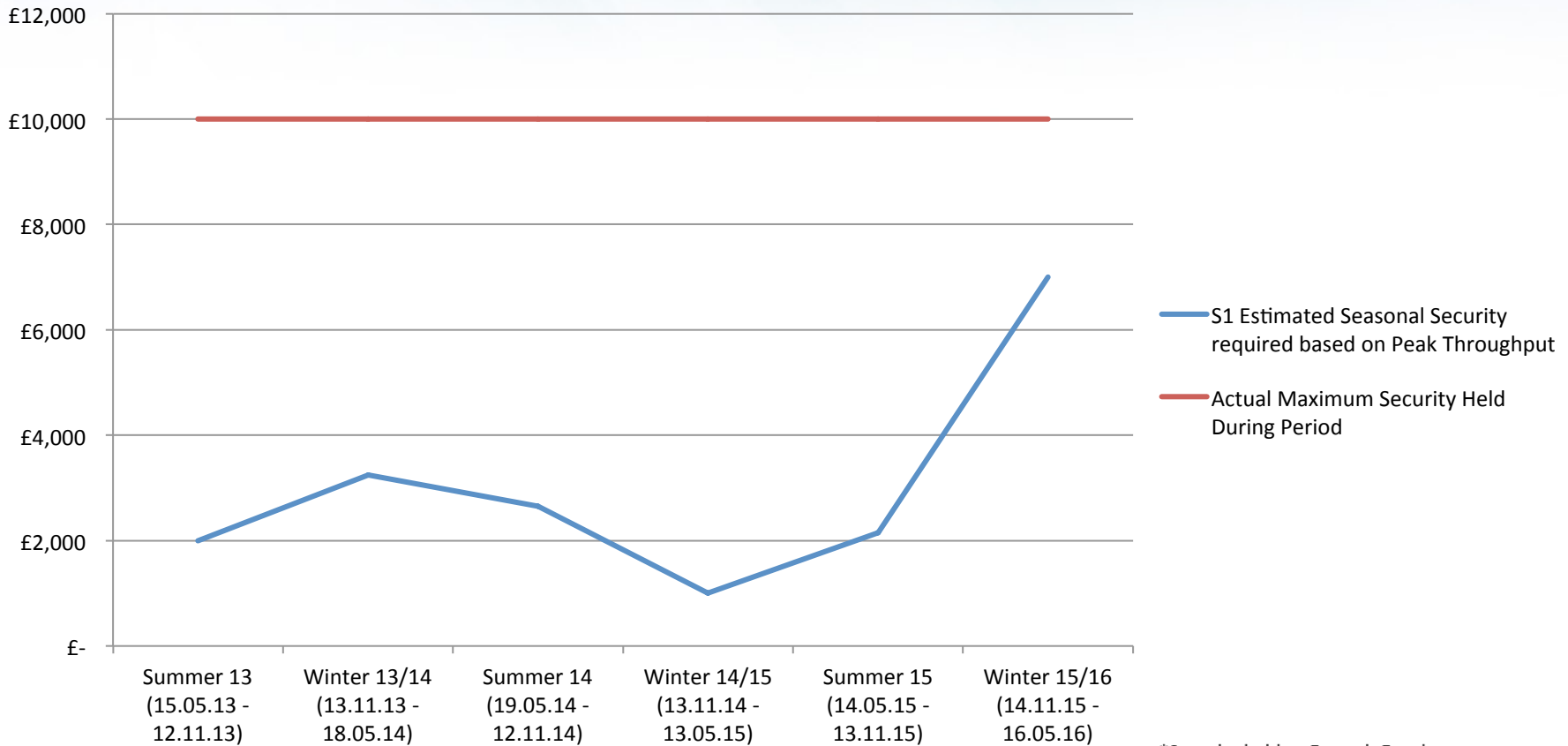


* Maximum Security held may not have been held for the duration of the seasonal period

* Security held as a Deposit Deed

Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

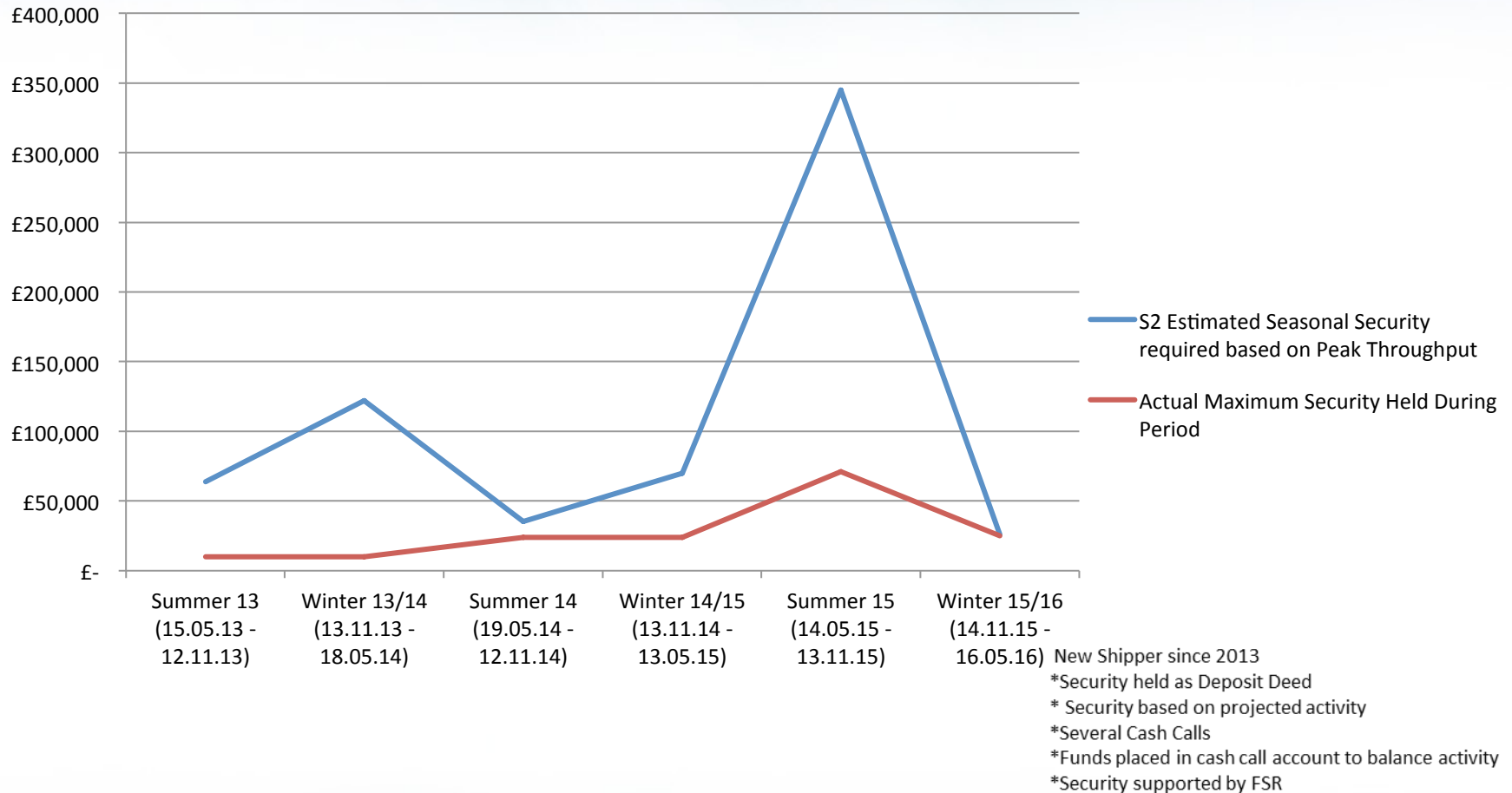
Small Portfolio Shipper Example 1



*Security held as Deposit Deed
* Minimum security required was £10,000

Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

Small Portfolio Shipper Example 2



Graph shows the value of Energy Balancing Security required over the previous 3 years based on net indebtedness if profiled over Summer/Winter periods compared to Annual Security held during that period

Source Data

	Summer 13 (15.05.13 - 12.11.13)	Winter 13/14 (13.11.13 - 18.05.14)	Summer 14 (19.05.14 - 12.11.14)	Winter 14/15 (13.11.14 - 13.05.15)	Summer 15 (14.05.15 - 13.11.15)	Winter 15/16 (14.11.15 - 16.05.16)
L1 Estimated Seasonal Security required based on Peak Throughput	£ 4,100,000	£ 4,610,000	£ 9,500,000	£ 8,400,000	£ 9,500,000	£ 1,750,000
Actual Maximum Security Held During Period	£1,831,000	£2,400,000	£4,600,000	£4,600,000	£8,400,000	£8,400,000
L2 Estimated Seasonal Security required based on Peak Throughput	£ 760,000	£ 9,000,000	£ 750,000	£ 9,100,000	£ 9,800,000	£ 4,000,000
Actual Maximum Security Held During Period	£7,500,000	£7,500,000	£7,500,000	£7,500,000	£7,500,000	£9,800,000
M1 Estimated Seasonal Security required based on Peak Throughput	£ 385,000	£ 400,000	£ 117,000	£ 125,000	£ 78,000	£ 82,000
Actual Maximum Security Held During Period	£365,000	£450,000	£450,000	£400,000	£400,000	£365,000
M2 Estimated Seasonal Security required based on Peak Throughput	£ 410,000	£ 86,000	£ 125,000	£ 131,000	£ 25,000	£ 80,000
Actual Maximum Security Held During Period	£148,000	£250,000	£250,000	£413,000	£413,000	£132,000
M3 Estimated Seasonal Security required based on Peak Throughput	£ 282,000	£ 704,000	£ 102,000	£ 1,300,000	£ 240,000	£ 1,270,000
Actual Maximum Security Held During Period	£ 1,100,000	£ 1,130,000	£ 1,130,000	£ 1,130,000	£ 1,500,000	£ 1,500,000
S2 Estimated Seasonal Security required based on Peak Throughput	£ 2,000	£ 3,250	£ 2,650	£ 1,000	£ 2,150	£ 7,000
Actual Maximum Security Held During Period	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000
S2 Estimated Seasonal Security required based on Peak Throughput	£ 64,000	£ 122,000	£ 35,500	£ 70,000	£ 345,000	£ 26,000
Actual Maximum Security Held During Period	£10,000	£10,000	£24,000	£24,000	£71,000	£25,000

* Maximum Security held does not always represent security held for full season

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