

Representation

Draft Modification Report

0382 - Reducing the capacity element of LDZ system charges for SSPs

Consultation close out date: 12 September 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: Spark Gas Shipping Limited

Representative: Helen Hill

Date of Representation: 23 August 2011

Do you support or oppose implementation?

Support/Qualified Support/Neutral/Not in Support/Comments* *delete as appropriate*

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

The cash flow implications of having a charge which remains at the same level throughout the year, regardless of demand, are significant to a small supplier as we are unable to match revenue with costs over the summer period. As our customer base is 100% domestic this is especially true. Spark's unique position as a supplier to tenanted properties makes the company even more vulnerable to cash flow difficulties as a large proportion of our portfolio may be unoccupied at any point in time, leading to zero revenue while we are still liable for full costs. In addition to the advantages this would bring to Spark Gas Shipping we feel that the industry as a whole would benefit from these proposals as it would align costs with revenue leading to a cash flow situation which reflects customer demand more accurately. This would improve competition in the market as cash flow is a major consideration for smaller suppliers.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

None

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

None – relatively simple changes to procedures

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

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