

Representation

Draft Modification Report

0350 - Combining the NTS entry capacity and exit capacity credit checks

Consultation close out date: 11 March 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: **ScottishPower Energy Management Ltd**

Representative: Gerry Hoggan

Date of Representation: 11 March 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.

We agree that combining these separate processes will reduce the risk of User default and will discourage speculative auction bidding, whilst at the same time providing an appropriate incentive for Users to maintain adequate security and simplifying the overall credit arrangements. That having been said we are mindful that this may result in additional security cover being required from across some of the shipper community and believe that prior to implementation of the proposal it would be prudent to provide advance notice of any such additional commitment to any shippers so impacted.

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

No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree that implementation of the proposal will assist in meeting Objectives A11.1(c), (d) and (f) of the Licensee's Relevant Objectives, namely the efficient discharge of the Licensee's obligations, securing of effective competition and promotion of efficiency in the implementation and administration of the Code.

0350

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11 March 2011

Version 1.0

Page 1 of 2

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Impacts and Costs:

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

None envisaged.

Implementation:

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

We concur with the proposal's recommendation that it should be implemented on the 1st of the next month following a positive determination by the Authority.

Legal Text:

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

No comment.

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.

No.