

Representation - Draft Modification Report 0568

Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer

Responses invited by: **10 March 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Graham Jack
Organisation:	British Gas Trading Limited
Date of Representation:	10 March 2016
Support or oppose implementation?	Support
Relevant Objectives:	d) Positive g) Positive

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

The modification proposal is a pragmatic approach to dealing with a regulatory requirement that impacts the Trading System Clearer and appears to be necessary for ensuring the continued provision of services from that party. The proposal also paves the way for a reduction in the settlements period which, if permitted by the Energy Balancing Credit Committee, should result in a lower cost of credit for users. This lower cost of credit essentially provides for a lower cost of trading and should have a positive bearing on securing effective competition between shippers (relevant objective d)) and should arguably also enhance compliance with the Regulation (relevant objective g)).

We offer full support for the proposal, instead of only qualified support, because of the input by National Grid Gas and the Energy Balancing Credit Committee during the workgroup development stage. On the basis of this input it is our expectation that agreement will be quickly made on a shorter settlement period and that the cost reduction benefits indicated in the Draft Workgroup Report will be realised.

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

We agree that self-governance should not apply to this proposal.

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

The proposal should be implemented as soon as reasonably practicable.

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

None identified.

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

Yes.

Modification Panel Members have requested that the following questions are addressed:

Q1: *Respondents are asked to comment specifically on compliance with relevant objective (g), with evidence to support.*

We agree that the anticipated reduction in trading costs should enhance trading activity and therefore better promote compliance with the Regulation.

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.*

None identified.

Please provide below any additional analysis or information to support your representation