

## Workgroup Terms of Reference

### 0587 – Seasonal Energy Balancing Credit Cover

**Date referred from Panel:** 16 June 2016

#### Background – Why Change?

Please refer to [www.gasgovernance.co.uk/0587](http://www.gasgovernance.co.uk/0587)

#### Solution

It is proposed this modification amends the Energy Balancing Credit Rules so that a User's credit cover, which is currently set based on the maximum requirement in the past 12 months, is only set based on months in the same season as the current one.

Adjusting the rules so that they look back over the previous 12 months within the same season (summer and winter) when calculating the current credit requirement. This would create a separate profile for exposure during the winter and summer period in order to align credit cover more appropriately to actual credit exposure.

The existing restrictions which prevent a user from withdrawing collateral to below a tolerance based on their current indebtedness and cash call limit would remain, providing sufficient protection against under-collateralisation

#### Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text.

#### Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

#### Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

#### Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice