

Kieran,

Thanks for the opportunity to respond to this consultation.

TEL acknowledges that the Financial Security arrangements are required to facilitate the implementation of the CAM Network Code.

TEL believes that the arrangements will introduce a new risk for shippers, in particular the requirement to 'split' financial security in respect of a Shipper's capacity at IP's and capacity at non-IP's.

Unlike current arrangements, TEL understands that a Shipper will be required to frequently monitor and adjust the 'split' of their security across GTMS & PRISMA.

This 'split' will require frequent recalculation throughout the gas year as the value of daily capacity requirements rises and falls.

A possible scenario is that while a shipper may have sufficient financial security on aggregate across GTMS & PRISMA, if the security has not been 'split' correctly the shipper runs the risk of not being able to book its requirement of IP daily capacity within-day. An inability to book daily capacity will result in overruns on both UK & Irish networks. This is a risk not currently carried by Shippers.

In this regard, TEL questions the necessity for a lag period before an increase in financial security comes into effect on PRISMA. Removing this lag period would effectively remove the aforementioned risk.

The requirement to monitor security levels on two systems adds further complexity to the process of booking and managing capacity and security.

An unintended, but likely, consequence of the arrangements will be that in order to mitigate the risk of insufficient security (on either GTMS or PRISMA) Shippers will end up posting a higher total level of security than would otherwise be necessary. This would be a wholly unsatisfactory outcome from a Shipper's point of view.

Finally,

- TEL would welcome a dedicated workshop on the new FS arrangements prior to implementation. Attendees of the Gas Code Mod Forums are typically Operations/Regulatory staff but a FS workshop would afford Finance staff a valuable opportunity to engage and fully understand the new rules.
- TEL would welcome a pro-active approach from GNI in assisting & communicating with Shippers regarding their financial security post-CAM implementation.
- A readily accessible report that outlines a Shipper's current FS on GTMS & PRISMA would be a useful tool for end users.

Regards,