





Draft Modification Report		At what stage is this document in the process?
<h1>IPL042:</h1> <h2>Removal of Code Credit Rules from IPL Network Code</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
Purpose of Modification: In conjunction with another IGT UNC change proposal to introduce Code Credit Rules into the IGT UNC, this change will remove existing Code Credit Rule obligations from an individual network code to ensure consistency for all parties.		
	This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this self-governance modification.	
	The close-out date for responses is 23rd December 2020 , which should be sent to IGTUNC@Gemserv.com . A response template, which you may wish to use, is at the IGT UNC website .	
	The Panel will consider the responses and agree whether or not this self-governance modification should be made.	
	High Impact: N/A	
	Medium Impact: N/A	
	Low Impact: Pipeline Operators	

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Any questions?

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Timetable

The Proposer recommends the following timetable:

Initial consideration by Workgroup	5 th November 2019
Amended Modification considered by Workgroup	dd month year
Workgroup Report presented to Panel	22 nd November 2019
Draft Modification Report issued for consultation	25 th November 2019
Consultation Close-out for representations	16 th December 2019
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	17 th December 2019
Modification Panel decision	17 th January 2020

The timetable should adhere to the IGT132 timetable.

1 Summary

What

With Code Credit Rules already present in the UNC and DCUSA this change is part of a package of modification proposals to efficiently implement similar arrangements into the IGT UNC. Following the same principles as the other codes and by allowing the voluntary use of such arrangements by Transporters. This change is not looking to affect the main body of the IGT UNC and will instead focus on one of the individual network codes, i.e. for Independent Pipelines Limited.

Why

In 2018 a large number of Suppliers defaulted and entered the Supplier of Last Resort (SoLR) process. One such occasion also had the Pipeline User defaulting at the same time. Due to the IGT UNC not possessing a standard approach to code credit rule, Pipeline Operators were forced to accept any outstanding debt from pipeline users with little to no protection.

To provide protection against these scenarios, rather than attempting to update each individual network code, a sensible approach is to update the IGT UNC and ensure a fair and consistent approach across the market. Therefore, due to this standardised approach, existing individual network code mechanisms need to be removed to ensure consistency across all parties.

How

By removing existing Code Credit Rule arrangements from within one of the individual network codes this change will ensure consistency across the IGT UNC parties on the assumption that IGT132 is implemented and thus provides a standardised approach for all.

2 Governance

Justification for Self-Governance Procedures

The change has no material impact as it is solely reliant on another IGT UNC change proposals implementation for this change to also be applicable.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup alongside IGT132

Workgroup Comments

The Workgroup discussed the governance for this Modification with the Code Administrator noting that the implementation of these Modifications is dependent on the implementation of IGT132. The Workgroup agreed with the proposers view that this Modification should proceed under Self-Governance rules.

3 Why Change?

Because another IGT UNC change is designed to implement a set and consistent approach to code credit arrangements within the IGT UNC, existing code credit arrangements need to be removed from the individual network codes to ensure the efficient operation of the code.

4 Code Specific Matters

Technical Skillsets

N/A

Reference Documents

- [Network Code of Independent Pipelines Limited](#)

5 Solution

To ensure consistency across the IGT UNC and those a party to it, with new text is being introduced into the main body of the IGT UNC from modification IGT132, this change will remove existing Code Credit Rule arrangements from one of the individual network codes.

Workgroup Comments

The Workgroup discussed the solution and agreed that the proposer's suggestions were appropriate to facilitate the change required.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects including the Retail Energy Code, if so, how?

N/A

Consumer Impacts

N/A

Environmental Impacts

N/A

Cross-Code Impacts

N/A

Workgroup Impact Assessment

The Workgroup noted that there would be no foreseen impact on an SCR from this Modification. The Workgroup noted that there would be no foreseen impacts on Consumers, the environment or cross-code.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	None
(B) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	Positive
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

This change aims to better facilitate Relevant Objective F, by ensuring consistency across the IGT UNC and for the parties acceding to it.

Workgroup Comments

The Workgroup discussed the proposer's suggestion that this Modification has a positive impact on Relevant Objective F (Promotion of efficiency in the implementation and administration of the Code) and agreed with this view.

8 Implementation

This change's implementation should be considered conditional on IGT132's approval, and thus any implementation date should be based on that change. If IGT132 isn't implemented, then this change should be withdrawn.

Workgroup Comments

The Workgroup discussed the proposed implementation suggestion and agreed that this approach was suitable as it hinged on the implementation of IGT132 (Introduction of IGT Code Credit Rules).

9 Legal Text

Text Commentary

This change is not meant to add any new text but rather to remove Appendix 1 (i.e. Code Credit Rules and Code Credit Limits) in its entirety from the 'Network Code of Independent Pipelines Limited.' This is to be in conjunction with new text added to the IGT UNC from IGT132.

Text

A draft Independent Pipelines Individual Network Code can be found [here](#).

Workgroup Comments

The Workgroup reviewed the suggested Ancillary document changes to the Individual Network Code for Independent Pipelines Ltd and agree that the drafting facilitate the solution of the Modification.

10 Recommendations

Panel's Recommendation to Interested Parties

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this self-governance modification.