

Consultation Response

IGT132: Introduction of IGT Code Credit Rules

Responses invited by: 27 Jan 2021

Respondent Details
Name: Kirsty Dudley
Organisation: E.ON

Support Implementation	<input type="checkbox"/>
Qualified Support	<input type="checkbox"/>
Neutral	<input type="checkbox"/>
Do Not Support	<input checked="" type="checkbox"/>

Please briefly summarise the key reason(s) for your support / opposition

We are not in full support of this Modification, but we recognise why the proposal has been put forward and support the intention but not the approach.

We are concerned that the solution put forward could create process confusion and complexity due to it being a combination of DCUSA and UNC, with no real benefit outlined for this.

We are not supportive of the credit rules being completed with the individual IGTs directly, or that it is only 'if requested'. We are concerned that each IGT will create its own process and this will result in different approaches, which could end up being time consuming and inconsistent for Shippers. We would prefer a similar approach to the UNC, and it being completed centrally (by CDSP or other) rather than individually. It is also not clear who the credit cover request would go to within the Shipper organisation, so it may not be picked up in a timely way without a clear dedicated contact.

It is not clear if the approach would allow for Shippers with multiple entities / short codes to complete a multiple Shipper agreement. For those Shippers with complex portfolios, we are concerned that it will cause unnecessary complexity in administration (setting up and renewing) when the process is compared to the UNC. Some IGTs have multiple entities and again it is not clear if it could be rolled up into an organisation cover to improve efficiency or if it is expected to be at an entity level for the IGTs also, which creates further administration issues in our view.

Additionally, we couldn't clearly identify in the legal text how far in advance the exact figures for the credit will need to be known (both initially set and renewal), we believe this is essential to be outlined and that the legal text could be improved to give process clarity, especially if not all IGTs will be applying this requirement and where they do the timings can be agreed bilaterally.

We are concerned that implementation doesn't include a clear delivery window for creation and embedding of any credit cover. We interpret the legal text to allow timings to be agreed between the Shipper and IGT; we are concerned that each IGT will approach this differently which will introduce further inconsistencies. The 'if requested' approach could cause Shippers to be inundated with initial requests without a clear process to follow. It also isn't clear if an IGT doesn't initially want to request cover how they will request it at a later date. Again, this can cause inconsistencies. If approved, we would require understanding on which IGTs will be issuing requests.

From a consumer point of view we cannot ratify that there are no costs which could passthrough to consumers, we believe there could be unintended costs and consequences, especially in situations such as SoLR, we believe this to be a risk which we were unable to validate during the consultation period.

Overall, we support the principle of credit rules being introduced, but we are concerned that the solution doesn't introduce the robust process we would have preferred.

Self-Governance Statement

Do you agree with the Modification Panel's determination with respect to whether or not this should be a self-governance modification?

We agree this Modification requires Authority decision.

Please state any new or additional issues that you believe should be considered

See summary for items mentioned.

Relevant Objectives

How would implementation of this modification impact the relevant objectives?

We agree with the reasons outlined for objective B, however we are not sure the solution delivers objective F, the solution we deem to easily applied differently which could be inefficient especially if not all IGTs implement this consistently. We would prefer that credit cover for the IGTs is delivered through a central function and where there are multiple entities for IGTs and Shippers that it can be done a group level rather than individual.

Impacts and Costs

What development and ongoing costs would you face if this modification was implemented?

There will be impacts to our credit costs as it will be additional agreements at additional costs. Also, it will cause the introduction of initial and enduring administration costs, which would result in additional FTE requirements. We are unable to provide exact costs for this. We are concerned there could be unintentional consumer costs which have not been provided as part of the modelling.

Implementation

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

We would require a minimum of 3-6 months implementation if the change is approved, we have multiple entities and short codes so we would require time to ensure that the process is embedded correctly and adequate cover is in place.

Legal Text

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

See comments in the summary. We also note a number of clauses begin with spaces which should be tidied up should the text be implemented.

Further Comments

Is there anything further you wish to be taken into account?

No comments.

Responses should be submitted by email to IGTUNC@genserv.com