

## Questions and responses for IGT's

### RFI details

RFI reference	IGT132VV
RFI title	Introduction of IGT Code Credit Rules
Version Number	V0.3
Date issued to Industry	05/11/2019
Response deadline	XX/XX/XXXX
Affected Industry Participant roles	IGTs, Shippers, Suppliers, CDSP

### Summary of Issue

- ▶ In October 2019, BUUK raised a modification - IGT132 - Introduction of IGT Code Credit Rules (now IGT 132VV).
- ▶ The proposal seeks to implement consistent credit cover arrangements within the IGT UNC for all Pipeline Operator parties.
- ▶ On 29 April 2021 the Final Modification Report (FMR) for IGT132VV was submitted to Ofgem for Authority decision.
- ▶ On 2nd July Ofgem took the decision to send back the Final Modification Report (FMR) for IGT132VV.
- ▶ Ofgem determined they could not properly form an opinion on this modification proposal from the information provided in the FMR.
- ▶ Ofgem have directed that the report is revised and resubmitted, to address the issues set out.

## Questions and responses for IGT's

### Assessment Request

Ofgem asked four key questions:

#### What Are The Costs Of Intervention?

What costs could be passed through to consumers?

How many more IGT's would be likely to implement credit cover arrangements under new rules?

Will the level of credit cover required by IGT's currently increase or decrease?

What credit cover level will the new rules require IGT's to request from shippers?

#### What Does Credit Cover Currently Cost The Market?

What credit cover costs do shippers currently face?

Do credit cover costs get passed through to consumer bills via shipper fees?

What credit cover costs do consumers currently face?

How many IGT's currently require credit cover?

#### Will The Proposals Hurt Competition?

Will shippers face different levels of additional costs?

Do Smaller shippers face higher costs under new proposals?

#### What Is The Risk Of Not Doing This?

What costs do consumers face when IGT's face bad debt costs?

Are consumers impacted when a supplier fails?

What is the risk that further situations arise where IGT's are exposed to bad debt costs?

What is the risk that bad debt exposure leads to IGT failure?

What impact would an IGT failure have on consumers?

What impact would an IGT failure have on the market?

Administered by

## Questions and responses for IGT's

To obtain this information the IGT UNC Workgroup is asking all industry stakeholders to provide the information below. Where applicable please give detailed explanations, examples and where required high-level cost/benefit assessments where possible.

The information provided will be provided and considered by the IGT UNC Workgroup, in a way that does not identify participants. The information will be added to the Final Modification Report for consideration by the IGT UNC Panel and Ofgem.

Thank you in advance for your support and assistance in this matter.

### Respondent contact details

Name	
Company	
Email	
Telephone	
Response Date	
Anonymous response (Y/N)?	
Commercially Confidential response (Y/N)	

### Questions and responses for IGT's

Question 1
How long could debt build up for?
"Insert response here"

## Questions and responses for IGT's

### Question 2

**What is the value at Risk?**

"Insert response here"

### Question 3

**Is it just the existing portfolio that debt can build upon?**

"Insert response here"

### Question 4

**Can you cease new debt building up by restricting portfolio or preventing new supply?**

"Insert response here"

### Question 5

**How many supply points from each shipper?**

"Insert response here"

## Questions and responses for IGT's

<b>Question 6</b>	
<b>How much they charge each shipper? (Deemed commercially sensitive)</b>	
"Insert response here"	

<b>Question 7</b>	
<b>How big is the risk?</b>	
"Insert response here"	

<b>Question 8</b>	
<b>What types of cover are they likely to apply?</b>	
"Insert response here"	

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<b>Question 9</b>	
<b>If the risk came to fruition and credit cover is not in place how would an IGT respond?</b>	
"Insert response here"	

  

<b>Question 10</b>	
<b>What are the impacts of shipper failures?</b>	
"Insert response here"	

  

<b>Question 11</b>	
<b>How many more IGT's would be likely to implement credit cover under new rules?</b>	
"Insert response here"	

  

<b>Question 12</b>	
<b>Will the proposals hurt competition and if so how?</b>	
"Insert response here"	

## Questions and responses for IGT's

### Question 13

**What does the failure of an IGT mean to the market?**

"Insert response here"

### Question 14

**Do you believe there are any key areas of concern that the Review Group has not identified? Or do you have any other solutions that you would like the Review Group to consider?**

"Insert response here"

## Returning the RFI

Please return your RFI response to the Code Administrator at [igtunc@gemserv.com](mailto:igtunc@gemserv.com)