

Questions and responses for shippers

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 shippers

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?

Questions and responses for shippers

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 shippers

Question 1
What does the failure of an IGT mean to the market?
"Insert response here"

Questions and responses for shippers

Question 2

What's the cost of putting in place credit rules?

"Insert response here"

Question 3

What is the cost of the credit?

"Insert response here"

Question 4

What type of cover is in place?

"Insert response here"

Question 5

Do different types of cover incur different costs?

"Insert response here"

Questions and responses for shippers

Question 6	
What is the cost per IGT?	
"Insert response here"	

Question 7	
What set up costs could filter through to the consumer/customers/clients?	
"Insert response here"	

Question 8	
What on-going costs could filter through to the consumer/customers/clients?	
"Insert response here"	

Question 9	
Any other costs?	
"Insert response here"	

Questions and responses for shippers

Question 10

Does your organisation have a preferred option? Please advise which and any rationale for this.

"Insert response here"

Question 11

What factors are affecting efficiency?

"Insert response here"

Question 12

What element of cost is smeared?

"Insert response here"

Questions and responses for shippers

Question 13

Which IGT's are more likely to implement credit cover arrangements?

"Insert response here"

Question 14

What is currently paid for credit cover for the GDN's?

"Insert response here"

Question 15

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