





Modification	At what stage is this document in the process?
<h1>IGT163:</h1> <h2>Code Credit Rules housekeeping updates following IGT132VV approval</h2>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="border: 1px solid green; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 01 Modification </div> <div style="border: 1px solid blue; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 02 Workgroup Report </div> <div style="border: 1px solid purple; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 03 Draft Modification Report </div> <div style="border: 1px solid orange; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>Following Ofgem’s approval of IGT132VV this ‘housekeeping’ mod aims to provide the necessary updates to code as indicated in the ‘Authority Decision.’ Along with these minor amendments, intended for clarity, this mod also works to align with the changes made by UNC827S, to reflect the removal of Graydons and insertion of Creditsafe following the dissolution of the former as an organisation.</p>	
	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> assessed by a Workgroup; and progressed as a Self-Governance Modification Proposal. <p>This modification will be presented by the Proposer to the Panel on 24th February 2023. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>
	<p>High Impact: N/A</p>
	<p>Medium Impact: N/A</p>
	<p>Low Impact: Pipeline Operators and Pipeline Users</p>

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Timetable		
The Proposer recommends the following timetable:		
Initial consideration by Workgroup	9th March 2023	
Amended Modification considered by Workgroup	-	
Workgroup Report presented to Panel	24th March 2023	
Draft Modification Report issued for consultation	24th March 2023	
Consultation Close-out for representations	18th April 2023	
Variation Request presented to Panel	-	
Final Modification Report available for Panel	21st April 2023	
Modification Panel decision	28th April 2023	

Any questions?

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1 Summary

What

The implementation of [IGT132VV - Introduction of IGT Code Credit Rules](#) (currently expected for June 2023) will introduce a set of new arrangements into the IGT UNC. Some amendments to the IGT132VV legal text is required and need to be accounted for prior to the implementation of the Modification.

These amendments include the following:

- aligning the Code changes with the UNC to update the independent assessment table in line with [UNC0827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe](#). The acquisition of Graydons by another company has rendered their reference in the UNC (and therefore the IGT132VV legal drafting) redundant;
- addressing comments from Ofgem, which were included in the [IGT132VV Decision letter](#), also need to be taken into account to ensure the effective implementation of IGT132VV; and
- amending the Code changes to ensure there is further transparency with regards to the credit arrangements applying to Transportation Charges only.

Why

The Authority Decision for IGT132VV, while approving the change, identified a number of 'legal text and related issues.' This Modification is thus designed to rectify those issues. It also seeks to introduce agreed housekeeping changes to make clarifications with regards to Transportation charges and to account for the fact that on 28th February 2022, Creditsafe Nederland BV acquired the portfolios of all the Graydon companies under Graydon Holding NV. Creditsafe had highlighted to Gas Distribution Networks (GDNs) that their access to the Graydons portal will cease at the end of their current contracts and new contracts to access the Creditsafe portal will be required. As the IGT132VV legal text makes reference to Graydons, a change is required to amend that reference to Creditsafe.

How

As highlighted in the legal text section, several minor changes will be required to Code to allow for the updates to be made.

2 Governance

Justification for Self-Governance Procedures

The Modification is unlikely to have a material impact on the end customer or discriminate between industry parties as it works to align with industry realities and authority recommendations.

Requested Next Steps

This Modification should:

- be assessed by a Workgroup; and
- progressed as a Self-Governance Modification Proposal

3 Why Change?

This Modification aims to rectify these issues so that IGT132VV can be implemented efficiently without ambiguity. As indicated within the Authority Decision for IGT132VV this Modification seeks to address typographical issues with the legal drafting:

“We have found a number of typographical issues with the legal text; we recommend that these are corrected through the code modification process before the modification is implemented as these issues would undermine the code’s clarity.”.

The Modification also seeks to align the IGT132VV legal drafting with [UNC827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe](#) to amend the independent assessment score table, which is included in the legal text of IGT132VV, so that the developments of independent credit rating agencies can be accounted for. Such as:

- Creditsafe Nederland BV acquired the portfolios of all the Graydon companies under Graydon Holding NV;
- Amend the title of ‘Dunn & Bradstreet / N2 Check Comprehensive Report’ to simply ‘Dunn & Bradstreet Report’ as the N2 report was subsumed into Dunn & Bradstreet a number of years ago and is therefore redundant; and
- Change the Experian Bronze, Silver or Gold Report to Experian Business IQ Report. The Bronze, Silver and Gold Reports are obsolete.

The Modification also looks to make clarification changes, as agreed during the development of IGT132VV, to ensure it is clear that the arrangements are only applicable to Transportation Charges.

4 Code Specific Matters

Technical Skillsets

N/A

Reference Documents

- [IGT132VV - Introduction of IGT Code Credit Rules](#)
- [IGT132VV Authority Decision](#)
- [UNC827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe](#)

5 Solution

With regards to changes related to UNC827S, the legal text has been drafted/ updated to:

- All references to Part K to read Part G except for the one in clause 21.8.2;
- The new defined term in Part M ‘Credit Limit’ will instead be ‘Credit Code Limit’;
- Creditsafe to replace Graydon;

- ‘Dunn & Bradstreet / N2 Check Comprehensive Report’ to be updated to ‘Dunn & Bradstreet Report’; and
- Change the Experian Bronze, Silver or Gold Report to Experian Business IQ Report.

The legal text also addresses concerns raised during the development of IGT132VV that there was a lack of clarity around its provisions being solely for transportation charges, and not metering charges as well.

It is worth noting that the Authority Decision also indicated that ‘Initial Account’ and ‘Reconciliation Account’ needed to be added as defined terms. However, these terms are not required and as such are instead to be removed rather than provided with their own definition. Though the Legal Text has made amendments to the typographical issues highlighted.

6 Impacts & Other Considerations

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

~~None~~

~~Consumer Impacts~~

~~None~~

~~Environmental Impacts~~

~~None~~

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

There are no Significant Code Review (SCR) or other significant industry change projects impacted as a result of this change.

Consumer Impacts

What is the current consumer experience?

There is no impact to the customer experience as a result of this change.

What would the new consumer experience be?

There is no impact to the customer experience as a result of this change.

Impact of the change on Consumer Benefit Areas

<u>Area</u>	<u>Identified Impact</u>
<u>Improved safety and reliability</u> <u>Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?</u> <u>This area would relate to changes which balance the system safely, securely and at optimum cost, particularly for consumers in vulnerable situations. It would also consider changes which introduce flexibility across the market to</u>	<u>None</u>

<p><u>flow energy at the most efficient profile, lower operational costs and make sure GB consumers can access the cheapest sources of energy.</u></p>	
<p><u>Lower bills than would otherwise be the case</u></p> <p><u>Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?</u></p> <p><u>This area would relate to changes that are likely to benefit end consumers. This could include any change where it has been demonstrated that it could lower bills for end consumers.</u></p> <p><u>If possible, this section should include any quantifiable benefits.</u></p>	<p><u>None</u></p>
<p><u>Reduced environmental damage</u></p> <p><u>Will this proposal support:</u></p> <ul style="list-style-type: none"> • <u>new providers and technologies?</u> • <u>a move to hydrogen or lower greenhouse gases?</u> • <u>the journey toward statutory net-zero targets?</u> • <u>decarbonisation?</u> <p><u>This area would relate to changes which demonstrate innovative work to design solutions which ensure the system can operate in an environmentally sustainable way both now and in the future.</u></p>	<p><u>None</u></p>
<p><u>Improved quality of service</u></p> <p><u>This area would focus on demonstrating why and how the change can improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.</u></p>	<p><u>None</u></p>
<p><u>Benefits for society as a whole</u></p> <p><u>This area would relate to any other identified changes to society, such as jobs or the economy.</u></p>	<p><u>None</u></p>

Cross-Code Impacts

There are no cross-code impacts, other than to align the IGT UNC with other gas and electric code credit rules.

<u>UNC</u>	<input checked="" type="checkbox"/>
<u>REC</u>	<input type="checkbox"/>
<u>Other</u>	<input checked="" type="checkbox"/>
<u>None</u>	<input type="checkbox"/>

Environmental Impacts

There are no environmental impacts as a result of this change.

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

As effectively a 'housekeeping' Modification to implement a cohesive and clear approach to IGT UNC credit cover arrangements this change better facilitates Objective (F) as it will ensure accurate and effective running of the Code.

8 Implementation

To meet the expectations of the Authority Decision for IGT132VV, this Modification should be implemented at the same time as IGT132VV to ensure sufficient clarity is provided before parties engage in any bilateral conversations necessary to implement the credit arrangements provided from IGT132VV.

9 Legal Text

Text Commentary

The proposed Legal Text uses the approved drafting of IGT132VV as its baseline and amendments to this text, which will be implemented as part of this Modification, have been highlighted in red to show the additions/ changes made to fulfil the requirements of the Modification, as outlined in the solution section.

Suggested Text

Draft Legal Text changes can be found on the IGT162 webpage [here](#).

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to agree that this Modification:

- be assessed by a Workgroup;
- be progressed as a Self-Governance Modification Proposal; and
- meet the same implementation timescale as IGT132VV.