

DRAFT LEGAL TEXT CHANGES FOR IGT163 (as of 2nd February 2023)

Further information on *IGT163 - Code Credit Rules housekeeping updates following IGT132VV approval* can be found on the [IGT163 webpage](#).

DRAFTING KEY

Black: Approved IGT132VV¹ Legal Text changes

Red: Draft amendments to approved IGT132VV Legal Text

¹ [IGT132VV - Introduction of IGT Code Credit Rules](#)

AMENDMENTS TO IGT UNC PART G, CLAUSE 21

21 Code Credit Rules

21.1. Provision of Cover

21.1.1 If requested by the Pipeline Operator, the Pipeline User shall deliver to the Pipeline Operator one or more of the following forms of Collateral and the following conditions of this Clause 21 shall apply. Such that the aggregate value of such Collateral is equal to or greater than the sum notified to the Pipeline User by the Pipeline Operator as the Pipeline User's Value at Risk to the extent that it exceeds the Pipeline User's Credit Allowance:

- (a) a Letter of Credit or equivalent bank guarantee (available for an initial period of not less than six months);
- (b) an Escrow Account Deposit;
- (c) a Cash Deposit; or
- (d) any other form of Collateral as agreed between the Pipeline Operator and the Pipeline User from time to time, including but not limited to performance bonds, bilateral insurance, and independent security. The Pipeline Operator may rate the effectiveness of such Collateral as being between 0% and 100%. Where the effectiveness of such Collateral is rated as less than 100%, its contribution to the aggregate level of Cover provided shall be reduced accordingly.

21.1.1.1 For clarity, the provisions of this Clause 21 refers only to Collateral collected against Transportation Charges.

21.1.2 Any dispute raised by the Pipeline User or the Pipeline Operator on the form of Collateral provided under Clause 21.1.1(d) or on the rating of any such Collateral shall be dealt with under Clause 21.8. Any requirement for payment to be made under such Collateral shall be dealt with in accordance with Clause 21.4.

21.1.3 The Pipeline User may increase the value of Collateral provided or provide additional forms of Collateral at any time during the term of this agreement.

21.1.4 Where:

- (a) there is any reduction in the amount of Collateral provided by the Pipeline User as Cover; or
- (b) the Pipeline Operator makes a demand against such Collateral following a Payment Default by the Pipeline User,

the Pipeline User shall provide additional Collateral to ensure that the Pipeline User's Indebtedness Ratio is equal to or lower than the Indebtedness Ratio Limit according to the provisions of this Clause 21.

21.1.5 Notwithstanding Clause 21.1.4, where at any time as a direct consequence of an unanticipated increase in a Pipeline Users registered aggregate "Supply Point Capacity", a Pipeline User's Value at Risk increases materially, a Pipeline User will have one calendar month from the date of notice given by the relevant Pipeline Operator, to

provide additional surety or security and after expiry of such date, or Clauses 21.1.4 (a) and (b) shall apply.

21.2 Calculation of Cover

21.2.1 For the duration of this agreement’s application, the Pipeline Operator shall calculate and maintain a record of each of the following values with respect to the Pipeline User, that is to say:

- (a) the Pipeline User’s Value at Risk;
- (b) the Pipeline User’s Credit Allowance; and
- (c) the Pipeline User’s Indebtedness Ratio,

in such manner as will enable the Pipeline Operator, upon request by the Pipeline User, to provide a written and up-to-date statement of such values without delay.

21.2.2.1 At any time, the Pipeline User’s Value at Risk shall be the aggregate of:

- (a) billed but unpaid charges and which have been billed to the Pipeline User according to an established billing cycle operated by the Pipeline Operator pursuant to this Clause 21; plus
- (b) the Fifteen Days’ Value, which shall be the estimated value of the charges that would be incurred by the Pipeline User for a further 15 days from that time, based on the average daily charges billed to the Pipeline User (whether under this agreement or any use of system agreement applying between the Pipeline User and the Pipeline Operator immediately before this agreement became effective) using the latest available bill raised in respect of a full calendar month (or a number of days that approximates to a full calendar month), according to the established billing cycle operated by the Pipeline Operator; less
- (c) any credit notes and any amounts paid to the Pipeline Operator by the Pipeline User in the form of a Prepayment or an Advance Payment.

21.2.3 The Pipeline User’s Credit Allowance (CA here below) shall be calculated according to the following formula: $CA = 5 \text{ times Annual Transportation Revenue} \times 2\% \times CAF$; and

CAF is the Credit Allowance Factor (which is to be expressed as a percentage determined pursuant to Clause 21.2.4 or 21.2.5).

21.2.4 Where the Pipeline User has a Credit Rating from an Approved Credit Referencing Agency that is Ba3/BB– or above, CAF shall be determined according to the following table.

Credit Rating		CAF (%)
Moody’s	Standard and Poor’s	
Aaa to Aa2	AAA to AA	100
Aa3 to A3	AA- to A-	40
Baa1	BBB+	20

Baa2	BBB	19
Baa3	BBB-	18
Ba1	BB+	17
Ba2	BB	16
Ba3	BB-	15

21.2.5 Where the Pipeline User does not have a Credit Rating from an Approved Credit Referencing Agency that is Ba3 / BB- or above, CAF shall be determined as follows:

- (a) where there is, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months and the Pipeline User has not requested that the Pipeline Operator use the Pipeline User's Payment Record Factor, CAF shall be determined by reference to the Independent Credit Assessment procured pursuant to Clause 21.2.7 and in accordance with the table set out in Clause 21.2.10; or
- (b) where the Pipeline User has requested that the Pipeline Operator use the Pipeline User's Payment Record Factor or there is not, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months, CAF shall equal the Payment Record Factor (which shall be determined in accordance with the provisions of Clauses 21.2.12 to 21.2.14).

21.2.6 For the purposes of determining CAF pursuant to Clause 21.2.5(a), the Pipeline User may, once a year, request that the Pipeline Operator obtain an Independent Credit Assessment from a Recognised Credit Assessment Agency chosen by the Pipeline User.

21.2.7 As soon as reasonably practicable following such request (or within such other period as the Pipeline Operator and the Pipeline User may agree), the Pipeline Operator shall procure from that Recognised Credit Assessment Agency (and shall provide to the Pipeline User) a credit assessment of the Pipeline User. Where a Recognised Credit Assessment Agency offers more than one credit assessment product, the Pipeline Operator shall procure an assessment on the basis of the product that the Pipeline Operator and the Pipeline User agree (each acting reasonably) provides the most appropriate assessment of the creditworthiness of the Pipeline User when all factors are taken into consideration.

21.2.8 Where the Recognised Credit Assessment Agency that is used is listed in the table below, and it undertakes an assessment on the basis of one of its credit assessment products listed below, the results of such assessment will give rise to the corresponding Credit Assessment Score set out below:

Credit Assessment Score	Equivalence of the Credit Assessment Score to credit scores provided by Recognised Credit Assessment Agencies in their Independent Credit Assessments.				
	Check It (ICC) – Credit	Dunn & Bradstreet/ N2-Check-	Equifax	Experian – Business IQ Report Bronze, Silver	Creditsafe Report Graydons-

	Score Report	Comprehensive Report		or Gold Report	Level 1, Level 2 or Level 3 Report
10	95-100	5A1/	A+	95-100	<u>AAA86-100</u>
9	90-94	5A2/4A1	A/A-	90-94	<u>AA71-85</u>
8	80-89	5A3/4A2/3A1	B+	80-89	<u>A61-70</u>
7	70-79	4A3/3A2/2A1	B/B-	70-79	<u>BBB51-60</u>
6	60-69	3A3/2A2/1A1	C+	60-69	<u>BB41-50</u>
5	50-59	2A3/1A2/A1	C/C-	50-59	<u>B30-40</u>
4	40-49	1A3/A2/B1	D+	40-49	<u>CCC25-29</u>
3	30-39	A3/B2/C1	D/D-	30-39	<u>CC21-24</u>
2	20-29	B3/C2/D1	E+	20-29	<u>C15-20</u>
1	10-19	C3/D2/E1	E/E-	10-19	<u>Not in use10 to 14</u>
0	Below 10	E2 to Z inclusive	Below E-	Below 10	<u>D to Z inclusiveBelow 10</u>

21.2.9 Where the Recognised Credit Assessment Agency that is used is not listed in Clause 21.2.8 (or where the credit assessment product is not listed in Clause 21.2.8), the Pipeline Operator shall (acting reasonably) determine the applicable Credit Assessment Score on an equivalent basis to that set out in Clause 21.2.8.

21.2.10 Where the value of CAF is to be determined in accordance with Clause 21.2.5(a), the value of CAF shall be that which corresponds in the following table to the Credit Assessment Score set out below.

Credit Assessment Score	CAF (%)
10	20
9	19
8	18
7	17
6	16.66
5	15
4	13.33
3	10
2	7

1	3.33
0	0

- 21.2.11.1 During the 12-month period following completion of an annual Independent Credit Assessment pursuant to Clause 21.2.6, the Pipeline User may request that the Pipeline Operator procure further Independent Credit Assessments for the purpose of requiring the Pipeline Operator recalculate the Pipeline User’s Credit Allowance. Where the Pipeline User so requests, Clauses 21.2.7 to 21.2.10 shall apply (provided that, where the Pipeline Operator so requests, the Pipeline User shall pay the Pipeline Operator’s reasonable costs in procuring such Independent Credit Assessments. In any event, the Pipeline Operator will set the Pipeline User’s Credit Allowance no higher than the lower of the credit value recommended within the Independent Credit Assessment and the credit value calculated by applying the Credit Allowance Factor.
- 21.2.11.2 Where a Pipeline User’s Credit Allowance has been revised downwards in accordance with Clause 21.2.7 above, the Pipeline Operator will notify the Pipeline User accordingly on the next Business Day following the occurrence of the event described in Clause 21.2.7.
- 21.2.12 Where the Pipeline User’s Payment Record Factor is to be used to determine the Credit Allowance Factor in accordance with Clause 21.2.5(b), the Credit Allowance Factor shall equal the value of the Payment Record Factor determined in accordance with Clauses 21.2.13 to 21.2.15.
- 21.2.13 The Payment Record Factor shall equal the number of months since the Good Payment Performance start date (as specified in Clause 21.2.14) multiplied by 0.033% (that is to say, by 0.4% per annum) up to a maximum value of 0.8% after 24 consecutive months of good payment history. The Pipeline Operator shall give the Pipeline User notice of any adverse change in the calculation of the Payment Record Factor pursuant to Clause 21.2.14.
- 21.2.14 The Good Payment Performance start date shall for Pipeline Users, where the Pipeline User fails, or has failed, on any occasion to pay any relevant account relating to undisputed charges in full on the applicable Payment Date, be the date on which a relevant account is submitted in a month subsequent to the month in which such payment failure is remedied (unless having regard to all the circumstances, including in particular the value, duration, and frequency of failure, the Pipeline Operator reasonably determines an earlier date). In respect of the impact on the Pipeline User’s good payment history, the Pipeline Operator shall apply the following matrix:

Age of debt (days)	Value of debt as a percentage of previous month’s charges*	Effect on Good Payment Performance
1 to 3	<25%	Loss of 25% of previously accrued Good Payment Performance
	>25% and <75%	Loss of 50% of previously accrued Good Payment Performance

	>75%	Loss of 100% of previously accrued Good Payment Performance
>4	Any	Loss of 100% of previously accrued Good Payment Performance

*Total Transportation charges billed in the previous month

- 21.2.15 Where any unpaid disputed invoice is found to have been disputed without merit, a failure to have paid the relevant account in accordance with the terms of this agreement shall be treated as a failed payment and the provisions of Clause 21.2.14 shall apply accordingly.
- 21.2.16 The Credit Code Limit for the Pipeline User shall equal the Credit Allowance plus the aggregate value of the Collateral provided on any day.
- 21.2.17 The Pipeline User's Indebtedness Ratio shall equal the Pipeline User's Value at Risk as a percentage of the Credit Code Limit.
- 21.2.18 If, on any day, the Pipeline User's Indebtedness Ratio equals or is greater than 85% of the Pipeline User's Indebtedness Ratio Limit, the Pipeline Operator shall give notice of this to the Pipeline User.
- 21.2.19 Where credit support is provided for the Pipeline User through a Qualifying Guarantee by a third party (the Credit Support Provider), the maximum Pipeline User's Credit Allowance shall be calculated in accordance with Clause 21.2.3 but substituting the Credit Support Provider for the Pipeline User in all such calculations. Where the value of the Qualifying Guarantee is lower than the Pipeline User's Credit Allowance calculated pursuant to Clause 21.2.3, the Pipeline User's Credit Allowance shall be the maximum value of the Qualifying Guarantee.
- 21.2.20 Where a Credit Support Provider provides a Qualifying Guarantee for the Pipeline User and for other Pipeline Users of the Pipeline Operator's network, the aggregate of all Qualifying Guarantees so offered shall not exceed the maximum Credit Allowance that could be determined for that Credit Support Provider pursuant to Clause 21.2.3.
- 21.2.21 Where the Pipeline User disputes the Pipeline Operator's calculation of their Value at Risk or their Credit Allowance, the provisions of Clause 21.8 shall apply.

21.3 Increase or Decrease of Cover Requirement

- 21.3.1 The following provisions have effect in relation to cover requirements pursuant to the circumstances specified under the relevant headings in this Clause 21.3.
- 21.3.2 If, on any Business Day, the Pipeline User's Indebtedness Ratio equals or is greater than its Indebtedness Ratio Limit because of either (a) an increase in the Pipeline User's Value at Risk; or (b) a decrease in the Credit Allowance Factor, then (in either) the Pipeline Operator shall give notice of this to the Pipeline User on the following Business Day and the Pipeline User shall take all appropriate action to ensure that its Indebtedness Ratio is equal to or below 80% within two Business Days of its receipt of such notice.

21.3.3 It shall be a Cover Default if the Pipeline User fails to remedy a default under Clause 21.3.2 within the prescribed timescale.

21.3.4 Following a Cover Default under Clause 21.3.3, the Pipeline User's Indebtedness Ratio Limit shall be decreased to 80% for one year following rectification of the default, after which time it shall be increased back to 100%.

21.3.5 In addition to any other remedies available to it, the Pipeline Operator shall be entitled to take the following actions following a Cover Default (provided that, where Pipeline User's right to take on new supplies has been suspended at any time after Day 0 + 5, the Pipeline Operator must, as soon as the Cover Default has been remedied, take such steps as are within its power to initiate the restoration of such Pipeline User supply points:

Working Days after Cover Default	Action within the Pipeline Operators rights
Day 0	Date of default
Day 0 + 1	Interest and administration fee start to apply
Day 0 + 1	Issue notice of default to Pipeline User contact containing a statement of the Indebtedness Ratio and send a copy of such notice to the Authority
Day 0 + 3	Formal Pipeline User response required

21.3.6 The Pipeline Operator shall give the Pipeline User one month's written notice of its intention to use a new Annual Transportation Revenue value to calculate the Credit Allowance according to Clause 21.2.3. Such notice shall state the new Annual Transportation Revenue value and the date on which the Pipeline Operator will begin to use that value in such calculation.

21.3.7 The Pipeline User may by notice to the Pipeline Operator decrease the amount of Collateral at any time provided that such decrease would not cause the Indebtedness Ratio to exceed the Indebtedness Ratio Limit.

21.3.8 The Pipeline Operator shall, within two Business Days of its receipt of a notice from the Pipeline User pursuant to Clause 21.3.7, undertake actions to facilitate the reduction, or the return to the Pipeline User, of such Collateral.

21.3.9 Not later than 10 Business Days before any outstanding Letter of Credit is due to expire, the Pipeline User shall either procure to the satisfaction of the Pipeline Operator that it (or a suitable replacement Letter of Credit which meets the Pipeline Operator's reasonable requirements) will be available for a further period of not less than six months, or provide an alternative form of Collateral as set out in Clause 21.1.1.

21.3.10 Upon the Pipeline User ceasing to be a party to this agreement, and once all the amounts owed by the Pipeline User in respect of charges and any other amount owed by the Pipeline User to the Pipeline Operator under this agreement have been duly and finally paid, including interest, the Pipeline User shall be released from the obligation to maintain Cover in respect of the Pipeline Operator and the Pipeline Operator shall

consent to the revocation of any outstanding Qualifying Guarantee or Letter of Credit, and the Pipeline User shall be entitled to withdraw the balance (if any) (including interest credited thereto) outstanding to the credit of the Pipeline User in the Escrow Account at the relevant date and to request the return or termination of any other form of Collateral provided.

21.4 Use of Cover Following Payment Default

21.4.1 This Clause applies if, after 17:30 hours on any Payment Date, the Pipeline Operator has been notified by the Pipeline User or otherwise has reason to believe that the Pipeline User has not remitted to it by close of banking business on the Payment Date all or any part (the amount in default) of any amount which has been notified by the Pipeline Operator to the Pipeline User as being payable by the Pipeline User by way of the charges on the relevant Payment Date, or any other amounts owing under this agreement.

21.4.2 Where Clause 21.4.1 applies, a Payment Default exists and the Pipeline Operator shall (in addition to any other remedies available to it) be entitled to act in accordance with the following provisions (or whichever of them may apply) in the order in which they appear below until the Pipeline Operator is satisfied that the Pipeline User has discharged its obligations in respect of charges or such other amounts under this agreement which are payable in respect of the relevant account:

- (a) the Pipeline Operator, to the extent that the Pipeline User is entitled to receive payment from the Pipeline Operator pursuant to this agreement (unless it reasonably believes that such set-off would be unlawful), shall be entitled to set off the amount of such entitlement against the amount in default;
- (b) the amount of funds then standing to the credit of the Escrow Account or the amount of any Cash Deposit (excluding any interest accrued thereon to the benefit of the Pipeline User) shall be released to the Pipeline Operator and set off against the amounts unpaid by the Pipeline User, and for that purpose the Pipeline Operator shall be entitled to place such funds in any account of the Pipeline Operator at its sole discretion and shall notify the Pipeline User accordingly;
- (c) the Pipeline Operator may demand payment under any Letter of Credit for a sum not exceeding the amount of the Cover;
- (d) the Pipeline Operator may demand payment under any outstanding Qualifying Guarantee provided for the benefit of the Pipeline User pursuant to Clause 21.2.19; or
- (e) the Pipeline Operator may demand payment under any other form of Collateral provided under Clause 21.1.1(d) in the manner which the Pipeline Operator and the Pipeline User have previously agreed as appropriate in relation to that particular form of Collateral or, in the absence of such agreement, in a manner which the Pipeline Operator (acting reasonably) considers appropriate in relation thereto.

21.5 Utilisation of Funds

21.5.1 In addition to the provisions of Clause 21.4, if a Cover Default occurs in respect of the Pipeline User in accordance with this Clause 21, the Pipeline Operator shall be entitled:

- (a) to demand payment of any of the charges and any other amounts owed by the Pipeline User under this agreement which are outstanding, whether or not the Payment Date in respect of them has passed; and
- (b) to make demand under any outstanding Qualifying Guarantee or a call under any outstanding Letter of Credit supplied by the Pipeline User,

and the funds in the Escrow Account to the extent that they represent Cover provided by the Pipeline User shall be released to the Pipeline Operator and set off against the Charges and any other amount owed by the Pipeline User under this agreement that is unpaid by the Pipeline User, and for that purpose the Pipeline Operator shall be entitled to place any such amount released to it from the Escrow Account to any account of the Pipeline Operator as in its sole discretion it thinks fit.

21.6 Pipeline User's Right to Withdraw Funds

21.6.1 If the Pipeline User is not in default in respect of any amount owed to the Pipeline Operator in respect of the charges or any other amount owed by the Pipeline User under this agreement, the Pipeline Operator shall permit the release to the Pipeline User, within two Business Days of receiving the Pipeline User's written request for it, of any amount of cash provided by the Pipeline User by way of Cover which exceeds the amount which the Pipeline User is required to provide in accordance with this Clause 21.

21.6.2 Interest on the amount deposited in an Escrow Account (at a rate to be agreed by the Pipeline User with the bank at which such account is held) or on the amount of a Cash Deposit (at a rate to be agreed between the Pipeline Operator and the Pipeline User) shall accrue for the benefit of the Pipeline User.

21.7 No Security

21.7.1 Nothing in this Part ~~GK~~ 21 shall be effective to create a charge on or any other form of security interest in any asset comprising part of the Pipeline User's business.

21.8 Disputes

21.8.1 The Pipeline Operator and the Pipeline User shall attempt to resolve in good faith any dispute that may arise under or in relation to the provisions of this agreement.

21.8.2 Where any such dispute remains unresolved after 30 Business Days, either of the Pipeline Operator or the Pipeline User may refer the matter for determination in accordance with Part K, Clause 8.

21.8.3 A determination under this Clause 21.8 shall be final and binding.

21.9 Notices

21.9.1 Contact details for notices issued under Clause 21, and the form of such notices and the manner of their service, shall be as agreed between the Pipeline Operator and the Pipeline User. Where no such agreement exists, the provisions of the Pipeline Operation Standards of Service Query Management – Operation Guidelines shall apply.

AMENDMENTS TO IGT UNC PART M, DEFINITIONS

- **Advance Payment** - means a deposit of funds by or on behalf of the Pipeline User as early payment relating to any invoice issued but not yet due into a bank account specified by the Pipeline Operator, in the name of the Pipeline Operator.
- **Annual Transportation Charges** – means the aggregate of Transportation Charges (as defined in Part G) payable by all Pipeline Users to the Pipeline Operator for the preceding 12-month period from the date such calculation is made.
- **Approved Credit Referencing Agency** - means Moody’s Investors Service or Standard and Poor’s Ratings Group or such replacement agency as may be notified by the Authority from time to time for the purposes of Part ~~K~~G, Clause 21.
- **Cash Deposit** - means a deposit of funds by or on behalf of the Pipeline User into a bank account in the name of the Pipeline Operator.
- **Collateral** - means the implements (excluding parent Pipeline Operator guarantees) through which the Pipeline User can provide Cover, as set out in Part ~~G~~K, Clause 21.1.1 and as may be amended or added to from time to time by the Pipeline Operator with the Authority’s approval.
- **Cover** - means the aggregate amount of Collateral which the Pipeline User is required to provide and maintain in accordance with the provisions of Part ~~G~~K, Clause 21.
- **Cover Default** - has the meaning given to that term in Part ~~G~~K Clause 21.3.3.
- **Credit Allowance (CA)** - has the meaning given to that term in Part ~~G~~K Clause 21.2.3.
- **Credit Allowance Factor (CAF)** - has the meaning given to that term in Part ~~G~~K Clause 21.2.3.
- **Credit Assessment Score** - means a Credit Assessment Score as determined pursuant to Part ~~K~~G Clause 21.2.8 or 21.2.9.
- **Credit Code Limit** - has the meaning given to that term in Part ~~K~~G Clause 21.2.16.
- **Credit Rating** - means a long-term debt rating from an Approved Credit Referencing Agency.
- **Credit Support Provider** - has the meaning given in Part K Clause 21.2.19.
- **Escrow Account** - means a separately designated bank account in the name of the Pipeline User at such branch of any bank in the United Kingdom as the Pipeline Operator shall specify (the Bank) (on terms to be approved by the Pipeline Operator and which provide, amongst other things, that the funds held in the Escrow Account may be released by the Bank to the Pipeline Operator in the circumstances envisaged in Clauses 21.3 and 21.4 with the right to direct payments from the Escrow Account in favour only of the Pipeline Operator until the events specified in Clause 21.3.10 have occurred) to which all deposits required to be made by the Pipeline User pursuant to Part ~~K~~G, Clause 21 shall be placed, provided that such proceeds are not to be withdrawn by the Pipeline User save in accordance with the provisions of Part ~~K~~G, Clause 21.
- **Escrow Account Deposit** - means a deposit of funds by or on behalf of the Pipeline User into an Escrow Account.

- **Fifteen Days' Value** - has the meaning given to that term in Part ~~K-G~~ Clause 21.2.2.1(b).
- **Good Payment Performance** - has the meaning given to that term in Part ~~K-G~~ Clause 21.2.14.
- **Indebtedness Ratio** - has the meaning given to that term in Part ~~K-G~~ Clause 21.2.17.
- **Indebtedness Ratio Limit** – shall be 100% unless otherwise notified by the Pipeline Operator under the provisions of Part ~~K-G~~, Clause 21.
- **Independent Credit Assessment** - means a credit assessment of the Pipeline User procured by the Pipeline Operator at the Pipeline User's request in accordance with Part ~~K-G~~ Clause 21.2.7 from a Recognised Credit Assessment Agency chosen by the Pipeline User.
- **Letter of Credit** - means an unconditional irrevocable standby letter of credit in such form as the Pipeline Operator may reasonably approve issued for the account of the Pipeline User in sterling in favour of the Pipeline Operator, allowing for partial drawings and providing for the payment to the Pipeline Operator forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long-term debt rating of not less than single A by Standard and Poor's Ratings Group or by Moody's Investors Service, or such other bank as the Pipeline Operator may approve and which shall be available for payment at a branch of the issuing bank.
- **Payment Date** - means the due date for payment of any ~~Initial Account, Reconciliation Account, or other~~ account submitted to the Pipeline User pursuant to Part ~~K-G~~, Clause 21.
- **Payment Default** - has the meaning given to that term in Part ~~K-G~~ Clause 21.4.2.
- **Payment Record Factor** - has the meaning given to that term in Part ~~K-G~~ Clause 21.2.13.
- **Prepayment** - means a deposit of funds by or on behalf of the Pipeline User as early payment relating to future invoices not yet issued into a bank account specified by the Pipeline Operator, in the name of the Pipeline Operator.
- **Qualifying Guarantee** - means a guarantee in favour of the Pipeline Operator which is legally enforceable in the United Kingdom and in such form as may be agreed between the Pipeline Operator and the Pipeline User and which may specify a maximum value.
- **Recognised Credit Assessment Agency** - means any of the credit assessment agencies listed at Part ~~K-G~~, Clause 21.2.8, or any other credit assessment agency reasonably believed by the Pipeline Operator and the Pipeline User to be fit for the purpose of providing credit assessments pursuant to Part ~~K-G~~, Clause 21, taking account of all the circumstances applicable to the Pipeline User.
- **System Failure** - is an event or circumstance affecting:
 - (i) the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information; or
 - (ii) the ability of the CDSP to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP (unless the Pipeline Operator and the CDSP have agreed otherwise), and that the System Failure has

been categorised as either a P1, P2 or P3 incident, in accordance with the UK Link Manual by the CDSP at any time during the Billing Period.

For the avoidance of doubt, planned Computer System downtime, for the purpose of maintenance that has been notified by the Pipeline Operator or by the CDSP to the Pipeline Operator does not constitute System Failure.

- **Value at Risk** - has the meaning given to that term in Part ~~K~~G Clause 21.2.2.1.