






Final Modification Report	At what stage is this document in the process?
<h1 data-bbox="121 353 481 443">IPL042:</h1> <h2 data-bbox="121 483 1129 613">Removal of Code Credit Rules from IPL Network Code</h2>	<div data-bbox="1182 342 1449 416">01 Modification</div> <div data-bbox="1182 427 1449 501">02 Workgroup Report</div> <div data-bbox="1182 512 1449 586">03 Draft Modification Report</div> <div data-bbox="1182 598 1449 672">04 Final Modification Report</div>
<p><b>Purpose of Modification:</b></p> <p>In conjunction with another IGT UNC change proposal to introduce Code Credit Rules into the IGT UNC, this change will remove existing Code Credit Rule obligations from an individual network code to ensure consistency for all parties.</p>	
	<p>Panel consideration is due on <del>26</del><sup>4</sup><del>th</del> February 2023<sup>1</sup>.</p> <p>The Panel determined that this self-governance modification be implemented.</p>
	<p><u>Panel consideration is due on 24<sup>th</sup> February 2023.</u></p> <p>The Panel determined that this self-governance modification should not be implemented.</p>
	<p>High Impact:</p> <p>N/A</p>
	<p>Medium Impact:</p> <p>N/A</p>
	<p>Low Impact:</p> <p>Pipeline Operators</p>

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 Any questions?

Contact:  
**Code Administrator**

 **igtunc@gemse  
rv.com**

 **020 7090 1044**

Proposer:  
**Chris Barker**

 **chris.barker@bu-  
uk.co.uk**

 **01359 245705**

Timeline

**The Proposer recommends the following timetable:**

Initial consideration by Workgroup	5 <sup>th</sup> November 2019
Amended Modification considered by Workgroup	<del>dd month year -</del>
Workgroup Report presented to Panel	22 <sup>nd</sup> November 2019
Draft Modification Report issued for consultation	25 <sup>th</sup> November 2019
Consultation Close-out for representations	16 <sup>th</sup> December 2019
Variation Request presented to Panel	<del>dd month year -</del>
Final Modification Report (v1.0) available for Panel	17 <sup>th</sup> December 2019
<del>Modification Panel decision</del>	<del>17<sup>th</sup> January 2020</del>
<del>Progression suspension Panel decision</del>	<del>26<sup>th</sup> February 2021</del>
Final Modification Report (v1.1) available for Panel	17 <sup>th</sup> February 2023
Modification Panel decision	14 <sup>th</sup> February 2023

**The timetable should adhere to the IGT132 timetable.**

IPL042 was raised by BUUK on 11<sup>th</sup> September 2019. This Modification was originally progressed in line with related IGT132VV but at the February 2021 Panel meeting it was agreed that this Modification would be paused until an Authority Decision was reached on IGT132VV (which was approved in December 2022). The above timetable has been updated to reflect the path of the Modification since it was paused.

## 1 Summary

IPL042 was raised by BUUK on 11th September 2019. This Modification was originally progressed in line with related IGT132VV. At the February 2021 Panel meeting it was agreed that this Modification would be paused because the need for IPL042 was dependent of the approval of IGT132VV. As the Panel could not approve this Modification on a conditional basis it was agreed that progression would be suspended until an Authority Decision was reached on IGT132VV. Following the Authority approval of IGT132VV the Code Administrator confirmed with the Panel at its January 2023 meeting that it would look to progress IPL042 and bring an updated Final Modification Report to the February 2023 meeting for decision. Please note that there have been no changes to the solution or the Legal Drafting, with only necessary context, dates and minor amendments being made to this Final Modification Report.

### What

With Code Credit Rules already present in the UNC and DCUSA this change is part of a package of modification proposals to efficiently implement similar arrangements into the IGT UNC. Following the same principles as the other codes and by allowing the voluntary use of such arrangements by Transporters. This change is not looking to affect the main body of the IGT UNC and will instead focus on one of the individual network codes, i.e. for Independent Pipelines Limited.

### Why

In 2018 a large number of Suppliers defaulted and entered the Supplier of Last Resort (SoLR) process. One such occasion also had the Pipeline User defaulting at the same time. Due to the IGT UNC not possessing a standard approach to code credit rule, Pipeline Operators were forced to accept any outstanding debt from pipeline users with little to no protection.

To provide protection against these scenarios, rather than attempting to update each individual network code, a sensible approach is to update the IGT UNC and ensure a fair and consistent approach across the market. Therefore, due to this standardised approach, existing individual network code mechanisms need to be removed to ensure consistency across all parties.

### How

By removing existing Code Credit Rule arrangements from within one of the individual network codes this change will ensure consistency across the IGT UNC parties on the assumption that IGT132 is implemented and thus provides a standardised approach for all.

## 2 Governance

### Justification for Self-Governance Procedures

The change has no material impact as it is solely reliant on another IGT UNC change proposals implementation for this change to also be applicable.

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup alongside IGT132

## Workgroup Comments

The Workgroup discussed the governance for this Modification with the Code Administrator noting that the implementation of these Modifications is dependent on the implementation of IGT132. The Workgroup agreed with the proposers view that this Modification should proceed under Self-Governance rules.

## 3 Why Change?

Because another IGT UNC change is designed to implement a set and consistent approach to code credit arrangements within the IGT UNC, existing code credit arrangements need to be removed from the individual network codes to ensure the efficient operation of the code.

## 4 Code Specific Matters

### Technical Skillsets

N/A

### Reference Documents

- [Network Code of Independent Pipelines Limited](#)

## 5 Solution

To ensure consistency across the IGT UNC and those a party to it, with new text is being introduced into the main body of the IGT UNC from modification IGT132, this change will remove existing Code Credit Rule arrangements from one of the individual network codes.

### Workgroup Comments

The Workgroup discussed the solution and agreed that the proposer's suggestions were appropriate to facilitate the change required.

## 6 Impacts & Other Considerations

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

N/A

### Consumer Impacts

N/A

### Environmental Impacts

N/A

### Cross-Code Impacts

N/A

## Workgroup Impact Assessment

The Workgroup noted that there would be no foreseen impact on an SCR from this Modification. The Workgroup noted that there would be no foreseen impacts on Consumers, the environment or cross-code

## 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

This change aims to better facilitate Relevant Objective F, by ensuring consistency across the IGT UNC and for the parties acceding to it.

### Workgroup Comments

The Workgroup discussed the proposer's suggestion that this Modification has a positive impact on Relevant Objective F (Promotion of efficiency in the implementation and administration of the Code) and agreed with this view.

## 8 Implementation

This change's implementation should be considered conditional on IGT132's approval, and thus any implementation date should be based on that change. If IGT132 isn't implemented, then this change should be withdrawn.

### Workgroup Comments

The Workgroup discussed the proposed implementation suggestion and agreed that this approach was suitable as it hinged on the implementation of IGT132 (Introduction of IGT Code Credit Rules).

## 9 Legal Text

### Text Commentary

This change is not meant to add any new text but rather to remove Appendix 1 (i.e. Code Credit Rules and Code Credit Limits) in its entirety from the 'Network Code of Independent Pipelines Limited.' This is to be in conjunction with new text added to the IGT UNC from IGT132.

### Text

A draft Independent Pipelines Individual Network Code can be found [here](#).

### Workgroup Comments

The Workgroup reviewed the suggested Ancillary document changes to the Individual Network Code for Independent Pipelines Ltd and agree that the drafting facilitate the solution of the Modification

## 10 Consultation

Panel invited representations from interested parties, closing on 27<sup>th</sup> January 2021. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

### Code Administrator Comments

No direct Consultation responses were received for IPL042, however, parties can look at the Final Modification Report for IGT132 (Introduction of IGT Code Credit Rules) which this Modification is wholly linked to.

## 11 Panel Discussions

### Discussion

Insert text here

### Consideration of the Relevant Objectives

Insert text here

## Determinations

Insert text here

## 12 Recommendations

### Panel Determination Self-Governance

~~The Panel Members~~ agreed [unanimously/by majority]:

- that Modification IPL042 should [not] be implemented.