

## Workgroup Terms of Reference

### Modification 0360 - Removal of Credit Rating Restrictions from Definition of Parent Company

**Workgroup Report to Panel Meeting:** 21 April 2011

**Date referred from Panel:** 17 February 2011

#### Background – Why Change?

Please refer to Modification 0360 at [www.gasgovernance.co.uk/0360](http://www.gasgovernance.co.uk/0360)

#### Solution

It is proposed that the credit rating requirement be removed from the definition of parent company. By this means, parent company guarantees could be provided irrespective of the credit rating, with the credit impact being dependent on the rating of the parent company rather than being arbitrarily removed at a specific (high) level.

#### Topics for Discussion

Understanding the objective

Assessment of alternative means to achieve objective

Consider the impacts of changes to RAV and independent financial assessment

Consider whether the content of Modification 0360 captures all known smaller supplier concerns with the recent credit changes

Development of Solution (including business rules if appropriate)

Assessment of potential impacts of the modification

Assessment of implementation costs

Assessment of legal text.

#### Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

## **Composition of Workgroup**

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

## **Meeting Arrangements**

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice