





UNC Modification		At what stage is this document in the process?
<h1>UNC 071X:</h1> <h2>Amendments to TPD V3.1.7 Independent Assessment table</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #008000; color: white; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: green; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid blue; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: blue; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid purple; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: purple; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid orange; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: orange; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b> This modification makes changes to a UNC mapping table to reflect changes to the way Graydon determines credit ratings</p>		
	<p><i>Please provide an initial view of the preferred governance route/pathway and impacted parties</i></p> <p>The Proposer recommends that this modification should be: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> <li>• subject to self-governance</li> <li>• assessed by a Workgroup</li> <li>•</li> </ul> <p>This modification will be presented by the Proposer to the Panel on 19 December 2019. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
	<p>High Impact:</p>	
	<p>Medium Impact:</p>	
	<p>Low Impact:</p> <p>Shippers that use Graydon’s independent assessment for transportation credit</p> <p>Transporters</p>	

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Timetable			
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<b>The Proposer recommends the following timetable:</b>			
Pre-mod discussson	28 <sup>th</sup> November 2019	<a href="mailto:Richard.Pomroy@wutilities.co.uk">Richard.Pomroy@wutilities.co.uk</a>	
Initial consideration by Workgroup	23 <sup>rd</sup> January 2020	029 2027 8552 or 07812 973337	
Workgroup Report presented to Panel	19 <sup>th</sup> March 2020	Systems Provider: Xoserve	
Draft Modification Report issued for consultation	19 <sup>th</sup> March 2020	<a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>	
Consultation Close-out for representations	2 <sup>nd</sup> April 2020 (shortened)	Other: Insert name	
Final Modification Report available for Panel	6 <sup>th</sup> April 2020	email address	
Modification Panel decision	16 <sup>th</sup> April 2020	telephone	

## 1 Summary

*Please provide a summary of the modification proposed – i.e. **what** is the identified defect/change in the existing code that needs to be rectified, **why** this change needs to be made, and **how**.*

### What

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The table in TPD V 3.1.7 needs to be update to reflect changes in the credit ratings issued by Graydon.

### Why

If this change is not made then new Shippers will not be able to use Graydon for an independent assessment for obtaining credit. Existing Shippers will also not be able to use Graydon if their circumstances change.

### How

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The solution proposed populates the table with the new credit ratings now issued by Graydon.

## 2 Governance

### Justification for Self-Governance

The modification:

(i) is unlikely to have a material effect on:

competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

Although this modification will have a positive effect on competition by making the Graydon rating fit for use again, the changes proposed will not affect those Shippers who currently use Graydon so the effect is not material. It is unlikely to discriminate between Shippers because it reinstates Graydon as a useable option for independent assessment.

## 3 Why Change?

Graydon have changed their methodology for producing credit ratings and have introduced a new table of ratings. These ratings are alpha ratings as opposed to the previous alpha numeric ratings. This means that Code needs to be amended to replace the old ratings with the new ratings.

We are also making a small minor change to the wording on Dun and Bradstreet scoring for the lower ratings to improve clarity.

This will impact the small number of Shippers that use Graydon for independent assessment. If this change is not made the option of using Graydon for independent assessment will not be available and will limit the options for Shippers to 2 agencies.

## 4 Code Specific Matters

### Reference Documents

TPD V3

<https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/page/2019-11/22%20TPD%20Section%20V%20-%20General.pdf>

### Knowledge/Skills

Familiarity with Code credit arrangements

## 5 Solution

Amend text in TPD v 3.1.7 as shown below.

Independent Assessment Score	Equivalent of the Independent Assessment Score to credit scores provided by the independent credit rating agencies for Independent Assessments			% of Transporter's Maximum Unsecured Credit Limit
	Dunn & Bradstreet/ N2 Check Comprehensive Report	Experian Bronze, Silver or Gold Report	Graydons Level 1, Level 2 or Level 3 Report	
10	5A1	95-100	<del>4A</del> AAA	20
9	5A2/4A1	90-94	<del>4B/2A</del> AA	19
8	5A3/4A2/3A1	80-89	<del>4C/2B/3A</del> A	18
7	4A3/3A2/2A1	70-79	<del>2C/3B/4A</del> BBB	17
6	3A3/2A2/1A1	60-69	<del>3C/4B/5A</del> BB	16
5	2A3/1A2/A1	50-59	<del>4C/5B/6A</del> B	15
4	1A3/A2/B1	40-49	<del>5C/6B/7A</del> CCC	13 <sup>1/3</sup>

3	A3/B2/C1	30-39	<del>6C/7B/8A</del> CC	10
2	B3/C2/D1	20-29	<del>8B</del> C	6 <sup>2/3</sup>
1	C3/D2/E1	10-19	<del>8C</del> Not in use	3 <sup>1/3</sup>
0	<del>Below E1</del> E2 to Z inclusive	Below 10	<del>Below 8C</del> D to Z inclusive	0

## 6 Impacts & Other Considerations

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

No

### Consumer Impacts

The changes should not affect any Shipper credit and hence there should be no consumer impacts.

### Cross Code Impacts

Not directly, although the IGT UNC and DCUSA may want to consider a similar change if Graydon is used for independent assessment.

### EU Code Impacts

None

### Central Systems Impacts

No impact.

## 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) Coordinated, 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;	None

(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
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 Co-operation of Energy Regulators.	None

This modification furthers relevant objective (f) by replacing out of date references to Graydon's crediting rating by the current credit rating.

## 8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

## 9 Legal Text

### Text Commentary

The table is updated for the new Graydon ratings and a minor wording change for Dun and Bradstreet.

### Text

Repeat solution section

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that self-governance procedures should apply
- Refer this proposal to a Workgroup for assessment for one month.