

UNC 0827S:

Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe



Guidance: *These slides are meant to provide a brief overview for the UNC Panel, to introduce what is trying to be achieved, to help them understand and decide the best process to be followed for new modifications. Please aim to be as brief as possible and not justify nor make the case for the Modification.*

Notes are provided in italics and if this template is being used should be removed.

The Joint Office is available to help and support the drafting of any modifications, including guidance on completion of the Modification template and the wider modification process. Contact: enquiries@gasgovernance.co.uk or 0121 288 2107.

Proposer: Andy Clasper

Panel Date: 17 November 2022

Why change?



- Where a Shipper has no, or an insufficient, Approved Credit Rating they can utilise an Unsecured Credit Limit from one of three independent credit rating agencies – Dunn & Bradstreet, Experian or Graydons.
- Graydons has been taken over by Creditsafe who have advised that they will be removing access to the Graydons portal, for all customers, by no later than the end of Feb 2023.
- A change is required to update the Unsecured Credit Rating table in TPD V3.1.7 and to put in transitional arrangements for the small number of Shippers who currently utilise Graydons.
- A minor housekeeping change is also required to update the name of the Experian reports within the table from 'Bronze, Silver & Gold Report' to 'Business IQ Report'.

Options



- No later than 28 Feb 2023 Transporters will lose access to Graydons portal with Creditsafe provided in its place.
- No new Shippers will be able to utilise Graydons after this point and no inter year reviews will be able to be carried out after closure of the Graydon portal.
- Only a very small number of Shippers currently utilise Graydons (circa 6 across 3 Transporters)
- Analysis of Shippers Graydons Unsecured Credit Limits within Cadent network shows the move to Creditsafe will be neutral for 1 Shipper and positive for the other.
- Transitional arrangements will be required upon implementation to allow for ongoing mid year reviews for Shippers allocated with a Graydons Unsecured Credit Limit.

Solution



- Amend the Unsecured Credit Rating Table in TPDV3.1.7 as follows

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 Business IQ Report	Creditsafe Report	
10	5A1	95-100	86-100	20
9	5A2/4A1	90-94	71-85	19
8	5A3/4A2/3A1	80-89	61-70	18
7	4A3/3A2/2A1	70-79	51-60	17
6	3A3/2A2/1A1	60-69	41-50	16
5	2A3/1A2/A1	50-59	30-40	15
4	1A3/A2/B1	40-49	25-29	13 ^{1/3}
3	A3/B2/C1	30-39	21-24	10
2	B3/C2/D1	20-29	15-20	6 ^{2/3}
1	C3/D2/E1	10-19	10-14	3 ^{1/3}
0	E2 to Z inclusive	Below 10	Below 10	0

- Provide transitional rules to review those Shippers utilising a Graydons Unsecured Credit Limit. By default, upon implementation, they will be assessed against Creditsafe unless they notify the relevant Transporter that they wish to use Dunn & Bradstreet or Experian instead.

Recommended Steps



- The Proposer recommends that this modification should be:
 - Subject to Self-Governance
 - Workgroup assessment to develop the modification for 2 months with an aspiration to complete in 1 month.