










UNC Final Modification Report	At what stage is this document in the process?
<h1>UNC 0827S:</h1> <h2>Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe</h2>	<div> <div>01</div> <div>Modification</div> </div> <div> <div>02</div> <div>Workgroup Report</div> </div> <div> <div>03</div> <div>Draft Modification Report</div> </div> <div> <div>04</div> <div>Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>The Modification makes changes to the Unsecured Credit Rating Table to bring into effect the change from Graydon to Creditsafe ratings.</p>	
<p>Next Steps:</p> <p>Panel consideration is due on 19 January 2023 <i>(at short notice by prior agreement)</i>.</p>	
<p>Impacted Parties:</p> <p>High:</p> <p>Low: Shippers that use Graydon's independent assessment Transporters</p> <p>None:</p>	
<p>Impacted Codes:</p> <p>None identified</p>	

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Timetable		
Modification timetable:		Contact: Joint Office of Gas Transporters
Pre-Modification Discussed	27 October 2022	 enquiries@gasgovernance.co.uk
Date Modification Raised	31 October 2022	 0121 288 2107
New Modification to be considered by Panel	17 November 2022	Proposer: Andy Clasper
First Workgroup Meeting	29 November 2022	 andy.clasper@cadentgas.com
Workgroup Report to be presented to Panel	15 December 2022	 07884 113385
Draft Modification Report issued for consultation	16 December 2022	Transporter: Gurvinder Dosanjh Cadent
Consultation Close-out for representations (15 days)	10 January 2023	 Gurvinder.Dosanjh@cadentgas.com
Final Modification Report available for Panel	11 January 2023	 07773 151572
Modification Panel decision (at short notice)	19 January 2023	Systems Provider: Xoserve
		 UKLink@xoserve.com

1 Summary

What

On 28 February 2022, Creditsafe Nederland BV acquired the portfolios of all the Graydon companies under Graydon Holding NV. Creditsafe have highlighted to Transporters that their access to the Graydons portal will cease at the end of their current contracts and new contracts to access the Creditsafe portal will be required.

The table in UNC Transportation Principal Document (TPD) V 3.1.7 (which is used to calculate a User's Unsecured Credit Limit) needs to be updated to insert the credit ratings issued by Creditsafe and to remove Graydons.

UNC TPD V can be found here:

[Independent Assessment Score Table \(gasgovernance.co.uk\)](https://gasgovernance.co.uk/Independent%20Assessment%20Score%20Table)

Why

As Transporters will shortly lose access to the Graydons Portal, this change is required to remove Graydons and allow new and existing Shippers to be able to use Creditsafe for an independent assessment to obtain unsecured credit.

How

The table within TPD V3.1.7 will require amending to remove Graydons ratings and reflect the new Creditsafe ratings.

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.

Requested Next Steps

This Modification should be considered a non-material change and subject to Self-Governance.

3 Why Change?

On 28 February 2022, Creditsafe Nederland BV acquired the portfolios of all the Graydon companies under Graydon Holding NV. Graydons is currently one of the independent credit rating agencies which a User can select to obtain an Unsecured Credit Rating from the Transporters.

Transporters have differing Graydon contract end dates with most coming to an end shortly. Transporters are currently negotiating with Creditsafe to extend their access to the Graydon portal whilst the necessary UNC arrangements to include Creditsafe are put in place. It is thought likely that access to the Graydons portal will be removed for all Transporters **by no later than the end of February 2023**.

It is therefore necessary to amend the Independent Assessment Score table within UNC TPD V3.1.7 to remove Graydons and include Creditsafe as an independent credit rating agency in their place.

A housekeeping change is also proposed, to amend the title of 'Dunn & Bradstreet / N2 Check Comprehensive Report' to simply 'Dunn & Bradstreet Report' as the N2 report was subsumed into Dunn & Bradstreet a number of years ago and is therefore redundant.

A further housekeeping change is also required to change the Experian Bronze, Silver or Gold Report to Experian Business IQ Report. The Bronze, Silver and Gold Reports are obsolete, and the change reflects the correct name of the report which Transporters are currently using.

Creditsafe scoring mechanism

The Creditsafe scoring mechanism (below) contains 5 ratings.

The current table within TPD V3.1.7 has a scoring mechanism of ten ratings. It is therefore necessary to expand the 5 Creditscore ratings, by taking the midway point within each, to fit within the current table in V3.1.7.

Financials Filed / Established

	Score	Description
●	71-100	Very Low Risk
●	51-70	Low Risk
●	30-50	Moderate Risk
●	21-29	High Risk
●	1-20	Very High Risk

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 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

4 Code Specific Matters

Reference Documents

UNC TPD V

[Independent Assessment Score Table \(gasgovernance.co.uk\)](https://gasgovernance.co.uk/Independent-Assessment-Score-Table)

Knowledge/Skills

Familiarity with Code credit arrangements

5 Solution

BR 1 - Amend table in TPD V 3.1.7 to remove Graydons and include Creditsafe scoring mechanism and amend the title of the Dunn & Bradstreet / N2 Check Comprehensive Report to Dunn & Bradstreet Report and also the Experian Report from 'Bronze, Silver or Gold Report, to 'Business IQ Report'.

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 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

BR 2 – Upon implementation of the Modification, all current Users who have an Unsecured Credit Limit allocated as per a Graydons assessment (in line with TPD V3.1.7) will have their Unsecured Credit Limit reassessed as per Creditsafe unless Transporters are notified of a preference for assessment by another agency prior to implementation.

6 Impacts & Other Considerations

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

None

Consumer Impacts

The change is not expected to materially affect any Shipper's credit and hence there should be no consumer impacts.

What is the current consumer experience and what would the new consumer experience be?

None

Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

The IGT UNC may need to consider a similar change if required.

EU Code Impacts

None.

Central Systems Impacts

No central systems changes are required therefore the CDSP representative confirmed at Workgroup on 29 November 2022 that there are no costs for system changes.

Rough Order of Magnitude (ROM) Assessment *(Workgroup assessment of costs & lead times)*

Cost estimate from CDSP	£0
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Performance Assurance Considerations

The Proposer confirmed they did not believe there were any Performance Assurance considerations.

Workgroup Participants, at their meeting on 29 November, agreed with the Proposer.

Panel Questions

None.

Workgroup Impact Assessment

Gas Transporters Cadent, SGN and WWU confirmed in the meeting on 29 November 2022 that there was no impact to any Shippers connected with their networks.

The Proposer confirmed they understood National Grid has roughly 2 Shippers of relevance to the Modification and are in discussions with these Shippers as to any impact.

The NGN representative confirmed they were in discussions with their two impacted Shippers at the date of writing 29 November 2022.

No other concerns were raised by Workgroup Participants at the meeting on 29 November 2022.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements 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 Co-operation of Energy Regulators.	None

f) Removing Graydons and replacing it with Creditsafe will allow Users continued access to Unsecured Credit assessment via a choice of 3 Credit Agencies.

Workgroup Assessment of Relevant Objectives

No Workgroup Participants raised any objection to the Proposer's justification for the Modification furthering Relevant Objective f).

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

Legal Text has been provided by Cadent and is published alongside this report.

Workgroup Assessment

The Workgroup considered the Legal Text on 29 November 2022 and was satisfied that it meets the intent of the Solution.

Text Commentary

Published alongside the Modification <https://www.gasgovernance.co.uk/0827>.

Text

Published alongside the Modification <https://www.gasgovernance.co.uk/0827>.

10 Consultation

Panel invited representations from interested parties on 15 December 2022. All representations are encompassed within the Appended Representations section.

The following table provides a high-level summary of the representations.

Implementation was unanimously supported in the 4 representations received.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives
Cadent Gas	Support	f) positive
Northern Gas Networks	Support	f) positive
Scotland Gas Networks Ltd & Southern Gas Networks Ltd	Support	f) positive
Wales and West Utilities	Support	f) positive

11 Panel Discussions

Discussion

Consideration of the Relevant Objectives

Determinations

12 Recommendations

Panel Determination

Panel Members agreed that Modification 0827S **[should [not]** be implemented.

13 Appended Representations

Representation – Cadent Gas

Representation – Northern Gas Networks

Representation – Scotland Gas Networks Ltd & Southern Gas Networks Ltd

Representation – Wales and West Utilities

Cadent Gas Limited
Pilot Way, Ansty Park
Coventry CV7 9JU
cadentgas.com

Bob Fletcher
Joint Office of Gas Transporters
Radcliffe House,
Blenheim Court,
Warwick Road,
Solihull
B91 2AA

Andy Clasper
Andy.clasper@cadentgas.com
Direct tel +44 (0)7884 113385

9th January 2023
Your Reference: UNC Modification Proposal 0827S

UNC Modification Proposal 0827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent supports.

Do you support or oppose implementation?

Support

Relevant Objective:

f) Positive

Reason for support/opposition:

Creditsafe, who have acquired the Graydons business, have given all Transporters notice that they will be removing access to the Graydons portal as individual contracts come to an end. Access to Creditsafe's own portal to be provided upon change over.

This Modification will allow Shippers continued access to Unsecured Credit terms from a choice of three Credit Agencies after the Graydons platform has been removed.

As such this furthers Relevant Objective f.

Implementation

Implementation could be 16 business days after a Modification Panel decision to implement, subject to no Appeal being raised.

Impacts and Costs

None identified.

Legal Text

As proposer, we are satisfied that the legal text delivers the intent of the Solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

Nothing further to add.

Please provide below any additional analysis or information to support your representation

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper

Joint Office

Enquiries@gasgovernance.co.uk

4th January 2023

Dear Joint Office,

Re: 0827S: Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

NGN supports this Modification Proposal.

Reason for support

We support this Modification as it should ensure that new and existing Shippers continue to have access to Unsecured Credit assessment via a choice of 3 Credit Agencies. As Transporters no longer have access to the Graydon platform the insertion of Creditsafe is necessary. Accordingly, we agree with the proposer that this modification furthers Relevant Objective f) *Promotion of efficiency in the implementation and administration of the Code.*

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.

Impacts and Costs:

None identified.

Legal Text:

We believe the legal text provided should deliver the Solution set out in the modification.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

None identified.

Please provide below any additional analysis or information to support your representation

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)


Market Services Manager

Mobile: 07580 215 743

Smell gas?

Call the National Gas Emergency

Service on 0800 111 999

 1100 Century Way
Thorpe Park Business Park
Colton, Leeds LS15 8TU

 0113 397 5300
 northerngasnetworks.co.uk

**we are
the network**

Representation - Draft Modification Report UNC 0827S**Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe****Responses invited by: 5pm on 10 January 2023****To:** enquiries@gasgovernance.co.uk*Please note submission of your representation confirms your consent for publication/circulation.*

Representative:	David Mitchell
Organisation:	Scotland Gas Networks Ltd & Southern Gas Networks Ltd
Date of Representation:	10/01/23
Support or oppose implementation?	Support
Relevant Objective:	f) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SGN supports the implementation of this modification as it is necessary to add Creditsafe to the Credit table in TPD V3 due to the removal of Graydons. We would like to see this modification implemented at the earliest possible opportunity so that parties can use Creditsafe as an alternative to Graydons. We agree with the proposer that this modification furthers Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

Self-Governance Statement: Please provide your views on the self-governance statement.

We agree with the self-governance statement as this is a non-material change.

Implementation: What lead-time do you wish to see prior to implementation and why?

If this modification remains as self-governance as proposed, then the implementation could be sixteen business days after a Modification Panel decision to implement, subject to no appeal being raised.

Impacts and Costs: What analysis, development and ongoing costs would you face?

No costs or impacts to SGN are envisaged.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We are satisfied with the legal text.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None identified.

Please provide below any additional analysis or information to support your representation

We don't have any further analysis to add.

Representation - Draft Modification Report UNC 0827S

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

Responses invited by: **5pm on 10 January 2023**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Sam Lyons
Organisation:	Wales & West Utilities
Date of Representation:	19 December 2022
Support or oppose implementation?	Support
Relevant Objective:	f) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Graydon has been acquired by Creditsafe and the Graydon platform will no longer be available for use. As we cannot continue to offer Graydon reports as a credit option, it is necessary to provide an alternative independent credit rating agency to maintain the three separate options for shippers to obtain unsecured credit via an independent assessment under UNC. WWU therefore supports this modification and agrees that it furthers relevant objective (f) promotion of efficiency in the implementation and administration of the code.

Self-Governance Statement: Please provide your views on the self-governance statement.

The Self-Governance Statement provides an accurate summary of why the change is required and we agree that the impact of the modification should be non-material. We agree the solution is the correct action. We also support the two housekeeping changes.

Implementation: What lead-time do you wish to see prior to implementation and why?

Use of the Graydon portal has been withdrawn following the conclusion of our contract with them. Therefore, we would like to see this MOD implemented at the earliest opportunity so we can begin to offer Creditsafe as a viable option under UNC. However, we agree with the usual sixteen-day implementation notice period for a self-governance modification.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

This change requires switching from one service provider to another, so there is no discernible impact or additional cost of making this switch.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation

Nothing further to add.