

Representation

Draft Modification Report

0375 – Changes to how Unsecured Credit Limits are determined within UNC TPD Section V 3.1.7 (Independent Assessments)

Consultation close out date: 09 December 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: First Utility
Representative: Chris Hill
Date of Representation: 09 December 2011

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

We believe that it is appropriate to remove the current uncertainty and confusion around this issue by amending UNC TPD Sections V 3.1.1, V 3.1.7 and V 3.1.8. This will ensure that the Unsecured Credit Limit for those Users who do not have an approved credit rating is based solely on the value contained within their Independent Assessment(s) issued by one or more of the three appropriate Independent Assessment Agencies. We particularly welcome the clarification by WWU that other types of Independent Assessment (such as a Level 4 Graydon's report) will now be deemed acceptable and we believe that this approach will have an attendant benefit in relation to ensuring competition. We note that the Proposer suggests amending UNC TPD Section V 3.1.8 to give DNOs the power to review Unsecured Credit Limits for Users without an approved credit rating at the respective DNO's discretion rather than simply annually but we feel that this is appropriate in respect of ensuring that other Users are not exposed to unacceptable levels of risk.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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We believe that implementation of the above Proposed Modification would better facilitate the achievement of relevant objectives:

d) i) and ii) Securing of effective competition between relevant shippers and suppliers

f) Promotion of efficiency in the implementation and administration of the Code

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

First Utility would not face any additional costs if the Proposed Modification were to be implemented.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

As soon as the Authority deems appropriate.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No