

# GNI(UK) Proposed Modification IMR No. 18

## Invoicing and Credit Rules

If you have any questions in relation to our response, please don't hesitate to contact me at [lisa.fahy@sserenewables.com](mailto:lisa.fahy@sserenewables.com)



## Introduction

SSE welcomes the opportunity to comment on Proposed Modification & Initial Modification Report No. 18 - Invoicing and Credit raised by GNI (UK) as required under Section 2 and 3 of the Code Modification Rules.

The proposals are intended to address the changes to Invoicing and Credit arrangements as a result of the implementation of EU Codes. This includes invoicing for new capacity products, and the removal of the old 'STC/VRF/BB' invoice which is no longer required.

## Proposed modification

This proposal will amend sections 12 and 13 of the of the GNI (UK) Code. It will also introduce Transition section 6 which deals with the implementation of the changes in section 12 and 13 and the associated definitions, and makes some supporting changes to Appendix 3 (Pro-forma Documents) and Appendix 4 (Credit Committee Terms of Reference).

## Response

As a shipper and supplier SSE wishes to raise a couple of points in relation to different sections of the proposed changes:

### Provision of information

SSE would like to ensure there is sufficient data made available in an appropriate timescale to allow Shippers to complete shadow settlement. SSE request that this data is provided in addition and prior to the invoice backing data.

### Forms of credit

We believe that expanding the product definitions for acceptable forms of credit support promote effective competition, efficiency and innovation under new market arrangements. There are a number of non-bank financial institutions<sup>1</sup> that can offer equivalent forms of credit support at a rating above that of traditional banking institutions.

The *acceptable forms of credit support* detailed in Section 13.3.4 should provide for alternative forms of credit support, in particular, insurance products. As far as we understand, the definitions for secured credit support under (c), (d) and (e) could allow for performance bonds, guarantees or similar products issued by regulated insurance companies. We would appreciate confirmation from the Transporter on this point.

## Conclusion

In summary, SSE acknowledges the objective of the EU network codes and the intent to improve access arrangements to the gas markets on a European wide system basis. These changes also provide opportunities to improve on the existing code. Facilitating the use of alternative credit support products from wider pool of financial institutions supports competition, efficiency and innovation.

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<sup>1</sup> SSE has a substantial bonds and guarantees facility in place with an investment grade rated credit insurance company. The typical rating within the insurance sector is notably higher than that of comparable banking institutions.