

Mr Stephen English  
Gas Market Operator (NI),  
Fourth Floor,  
The Arena Building,  
85 Ormeau Road,  
Belfast,  
BT7 1SH

Ref: NET/G/JF/930  
26 April 2024

Dear Stephen,

**RE : NI Network Gas Transmission Code (the Code) – Final Modification Report for Modification No 19**

Thank you for your submission of the Final Modification Report (FMR) No 19 in respect of 'Housekeeping and Credit Updates,' dated 28 March 2024.

This Proposed Modification is being made to update the procedures for the provision of credit, including the possibility of the Transporter seeking a legal opinion on the provision of credit guarantees from different jurisdictions, where appropriate. The modification also makes minor housekeeping changes to the Code, including, for example, the removal of references to using fax as a means of communication, updating credit committee rules to be gender neutral, and updating various company names and details. The proposed amendments involve changes to several conditions of the Code.

**UR consideration of the Modification Report**

The Utility Regulator has considered the information provided in this FMR. We note that the Transporter did not receive any responses to the Initial Modification Report (IMR).

We note the Transporter advises that condition 2.4 of the Transporter Licences will be better facilitated by the NI Network Gas Transmission Code because of the proposed modifications, as maintaining the Code in up-to-date condition and improving credit protection for Shippers will facilitate the economic and efficient development of the network.

We note the Transporter's reasons for recommending approval of this Proposed Modification, as follows:

- The company name changes will ensure the correct legal entity is referenced.
- The Code already refers to the existing forms of notification in the context of commissioning new plant and the Market Readiness Certificate is included to ensure

that it would also be a relevant notification which should be provided to the Transporter when a new power station is commencing commercial operations.

- The inclusion of the requirement for a legal opinion in relation to a credit guarantee from providers in jurisdictions outside of NI will provide better clarity and better protection for Shippers against mutual exposure to credit risk within the Transporter's process of scrutinising credit provisions.
- The updates to communication methods are reflective of modern practices.
- The updates to the Pro-forma documents are required to reflect modern practice and terminology, improve clarity on certain points and hence provide better protection for Shippers from exposure to mutual credit risk.
- Gender neutralisation of the roles of credit committee members and Experts will be more representative.
- More general updates including the correction of typographical errors will increase the accuracy and reading of the Code.

We are content that the proposed modification would better facilitate the 'relevant objective' as outlined in condition 2.4 of the applicable licences. We agree that these modifications should improve the economic and efficient operation of the NI Gas Transmission Network as described in the FMR.

## **Decision**

As provided for in condition 2.4D.9(c) of the relevant licences we direct the Transporter to implement the modification as set out in FMR No 19 dated 28 March 2024. The modification shall become effective as of the date of this letter.

Yours sincerely,



**Jillian Ferris**  
**Head of Networks**