

EPUKI Response to Consultation on the Introduction of Monthly Credit Monitoring Processes to the NI Network Gas Transmission Code

EP UK Investments Ltd (**'EPUKI'**) would like to thank the Gas Market Operator for Northern Ireland (**'GMO or GMO NI'**) for the opportunity to respond to this consultation. As a Shipper in the Northern Irish gas market, we welcome the improvement in transparency that the proposed change provides. Monthly updating of the Required and Provided Level of Credit Support (**'RLCS'** and **'PLCS'**) helps market participants to adjust to recent transactions or external occurrences rather than on an annual basis.

The modification proposes shortening the deadline for Shippers to place additional credit from ten to five business days in case of a shortfall, i.e. where PLCS is smaller than RLCS. After that period, credit support will be drawn down if no sufficient remedial action has been taken. We oppose this proposition. The consultation paper does not sufficiently state justification for this curtailment of Shipper's procedural rights. According to the paper, "the reduction [...] is required to enable the process to operate within the monthly invoicing and credit reassessment cycle". Why the GMO considers the reduction necessary is not explained. We understand that GMO NI wants to settle credit imbalances on a more rigid timescale as with the change from annual to monthly credit monitoring, imbalances will be visible more frequently. However, there is no need to intervene with the current deadline for remedial action as imbalances will continue to be settled in time if Shippers retain their right to pose additional credit within ten days. To cut that deadline by half would pose considerable pressure on Shippers that is neither necessary nor suitable to reach the proposal's goal.

Notwithstanding the above, EPUKI does not have a strong opinion on the GMO's intention to tighten up the related deadline concerning the Transporter's obligation to verify any placed credit within five business days instead of ten as this does not appear as grave an intervention in comparison. The overall process would take up to maximum 16 business days which would certainly be short enough.

Regarding the notifications process, instead of only getting notified in instances of increased RLCS, EPUKI would like to request a monthly notification to Shippers on the updated RLCS and PLCS, including the basis of their calculation. This will further improve transparency and thus Shipper's ability to forecast future credit levels without imposing additional workload on the GMO, given that these calculations are being conducted on a monthly basis in any case.