UNC Modification Panel – Implementing Code Governance Review Ph 3

Text in italics shows items requiring Panel input
FP document paragraph references (x.xx) for final proposals are shown with each Requirement

	CGR3 Requirement	UNC Progress Update
	Individual code modifications	
1	Modifications to codes to implement SCR proposals (2.28 – 2.30)	*Transporters to raise a modification to the UNC Modification Rules once the new Licence conditions are sufficiently robust. Recommend a timeline that enables a Panel decision by the end of 2016.*
2	Modifications to codes such that Industry assesses whether a modification is material, and therefore requires the consent of the Authority, in deciding whether to use the self-governance route (3.15, 3.17)	*Potentially this does not require changes to the Modification Rules, which refer to the SG criteria, and can be implemented whenever Panel direct with a simple tweak to the SG criteria used in the template to reverse the test (see below).* **However**, *the GT Licence SSC A11 (15D) and (24)(a) – the source of the criteria – needs to be compatible. Statutory Licence consultation due out soon. Recommend do this in tandem with new Mod template (see 6)*
	Code administrators to develop and/or implement proposals to individual codes or processes	
3	All codes to make better use of the self-governance provisions (3.12)	*Believe we already robustly challenge SG, no further action is required. Panel to confirm.*
4	Code administrators to publish and follow Critical Friend 'Top 5' (4.21)	Complete http://www.gasgovernance.co.uk/criticalfriend
5	All codes to have a dedicated CACoP web page (4.34)	Complete http://www.gasgovernance.co.uk/cacop
6	All new Modification Proposals to follow the new standard modification templates (including a consumer impacts section) (4.81)	*Template is available (std version requires tailoring for UNC) and can be implemented upon Panel direction.*
7	All cross-code Modification Proposals to follow the new joint process (4.70)	Complete. Process is available and published. http://www.gasgovernance.co.uk/cacop
8	The development of Forward Work plans by code administrators and ensure that they are consistent across all codes (4.71)	*To be considered by Panel and direction provided on what is required to be included.*
9	The development of Project Management and Assurance provisions by code administrators (4.72)	*Suggestion is that Code is modified to create provisions such that Panel can appoint bodies to perform such work in the future. Also to clarify the situations where this might be needed. Panel to consider and direct.*
10	All parties to ensure that clear reasons are given in modification reports (4.111)	*This is open to interpretation and Panel direction is needed as to whether more articulation of individual member's reasons for voting are captured, or left as Panel Discussions as at present. Believe that, fundamentally, UNC reports are complete with well-justified arguments – low return rate from Ofgem would support this.*

11	The Code Administrator to act as Workgroup Chair (unless there is a conflict of interest) (4.119)	Substantially complete. JO chairs every WG meeting at present. *FPs suggest that modifications affecting the JO provide conflict of interest situations and need a non-JO chair. Panel need to consider and direct on this, including consideration of where a party without a vested interest could be sourced (such as from another Code, with reciprocal arrangements).*
12	All relevant Code Administrators to ensure better use of the pre-modification process for charging methodologies (5.9)	Complete. Charging methodologies are part of UNC and are included in the wider pre-engagement processes (since 0566S in Feb 16). FPs draw attention to this UNC guidance.
13	DCUSA and SPAA Panels to review Panel Voting	n/a
14	All relevant papers to be made available on the DCUSA website	n/a
15	DCUSA Panel to explore the role of panel sponsors	n/a
	Code administrators to work together to develop proposals	
16	The development of guidance in respect of materiality for self-governance (3.30)	*Do not believe that the JO is best-placed to articulate material impact on consumers or on commercial arrangements between parties. Panel guidance on this would be welcomed, ahead of a Code Administrator meeting to develop such guidance.*
17	Code administrators to implement the use of the Lead Code Administrator (4.94)	No immediate action for the JO other than to support the current lead (Elexon)
18	Code administrators to capture CACoP minor changes on an ongoing basis (4.45)	*Process to be developed at CA meeting (probably 03 June)*
19	Code administrators to develop and implement a cross-code Modifications Register (4.69)	*DCUSA leading on this. Clarity on scope received – will include all modifications (and not just those cross-code) UNC initial information has been provided. Expect to continue with UNC Modifications Register in tandem with this new one because of additional information it provides.*
20	Development of a process to ensure consistency in code Forward Work plans where appropriate. (4.71)	*Process to be developed at CA meeting*

Suggested amendment to the Self Governance Criteria guidance within the Mod template:

The modification is Self Governance unless it:
1) is unlikely to have a material effect on:
    a) existing or future gas consumers; and
    b) 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
    c) the operation of one or more pipe-line system(s); and
    d) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

e) the uniform network code governance procedures or the network code modification procedures; and

2) is ~~un~~likely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.