

Uniform Network Code Modification Panel, Committee and Sub-Committee

Guidelines for the User Representative's Appointment Process

Document Control

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1. Definitions

In this document the following words and expressions shall have the following meanings unless the context otherwise requires:

“**Appointment Process**” – refers to the overall process for appointing User Representatives for the Uniform Network Code (UNC) Modification Panel, UNC Committee and UNC Sub-Committees

“**Designated Person**” - as defined in the UNC Modification Rules, section 2.1 (defined terms)

“**Electoral Roll**” - list of representatives from Gas Shippers who are registered to take part in the UNC shipper panel representative nomination/election process .

“**Joint Office**” - the Joint Office of Gas Transporters.

“**SPoC**” - Single Point of Contact for each shipper group, derived from the electoral roll

2. Background and purpose of document

The UNC Modification Rules, which detail the processes by which the UNC and each Individual Network Code may be modified and/or reviewed. The UNC also governs how the UNC Modification Panel will be established and operated. The Modification Rules identify the role of a “Designated Person” responsible for managing the process to appoint User representatives to the UNC Modification Panel and UNC Committee.

Effective from March 2016, Ofgem has appointed the Joint Office to be the Designated Person, which, as is customary, includes appointments to the various UNC Sub-Committees.

Purpose of this document

This document sets out the high-level procedure and timeline that is followed during the Appointment Process. The detailed rules governing the nomination and election process are contained in the Appendix. This document is available on the Joint Office website (<http://www.gasgovernance.co.uk/elections>).

This document has been produced by the Joint Office to aid Users’ understanding of the Appointment Process and is for guidance only. In the event of dispute, the Chief Executive of the Joint Office will have absolute discretion to resolve matters.

3. Change Process

Any Licensed Shipper that is eligible to vote in the nomination and election of UNC Modification Panel and Sub-Committee members can propose changes to the processes described in this document by submitting the proposed changes to the Joint Office (uncelections@gasgovernance.co.uk), along with supporting information if required.

In the first instance, the change will be circulated to all Shippers via the Joint Office UNC distribution list for information, SPoCs registered at that time will then be given 15 working days to comment on the change.

Comments will then be taken back to the Modification Panel for ratification. This decision will be published all parties and any amendments adopted in time for the next Appointment Process.

4. Appointment Process

4.1. Single Point of Contact (SPoC) Registration Process

Background

To ensure that all communication between the Joint Office and Users in respect of the Appointment Process is duly authorised, such communication will be with one named individual

(or their nominated alternate) within each relevant organisation. This mitigates the possibility of errors resulting from the use of multiple points of contact within the same organisation. A dedicated email address is used to support this process, as well as the nomination and election process: uncelelections@gasgovernance.co.uk

Process

In order to establish a list of SPoCs, an email will be sent by the Joint Office to its' UNC distribution list no later than **the first working day of June**. Note: the Joint Office UNC distribution list is regularly checked to confirm that all registered Gas Shipper Licencees are represented.

This email will request that each applicable Shipper (see definition of "Shipper Group" in Appendix) provides the Joint Office (uncelelections@gasgovernance.co.uk) with a named "Single Point of Contact" (SPoC), plus one named alternate, including their company email address, which will be used for all future communication relating to the Appointment Process for that year.

The registration window will be open for 3 weeks (15 business days) and closes at 17.00 on the last day of this period. SPoC notifications received by the Joint Office after the closure of the window will not be accepted.

In the interests of transparency, a full list of SPoCs (Shipper User and SPoC/alternate names only) will be published on the Joint Office website before the Nomination process starts. Registered SPoCs and their alternate are deemed to have agreed to their inclusion on this list.

4.2. Nomination Process

Registered SPoCs will be invited, by email no later than the **01 July**¹ on an annual basis, to provide nominations for User Representatives for the UNC Modification Panel/UNC Committee (i.e. a single nomination for both Panel and UNCC) and nominations for the UNC sub-committees.

The nomination window will be open for 3 weeks (15 business days) and closes at 17.00 on the last day of this period. Nominations received by the Joint Office after the closure of the window will not be accepted.

SPoCs will need to complete and return a Nomination Form, which will only be accepted from the email address of the registered SPoC or their alternative.

Completed forms are to be returned to the Joint Office of Gas Transporters (uncelelections@gasgovernance.co.uk)

Each nominee will need to indicate his or her willingness to serve on behalf of all Users or Suppliers (as appropriate) by either signing the Nomination Form or sending an email to the Joint Office of Gas Transporters (uncelelections@gasgovernance.co.uk)

If, at the end of the nomination period, the number of nominated candidates is less than the number of Shipper User positions available on the Modification Panel or any Sub-Committee, the Joint Office will appoint the nominees recorded at that time and seek further nominations for the vacant positions ("subsequent vacancies"). For the avoidance of doubt, in the event that this additional nomination process produces more candidates than available vacancies, the Election Process will apply for the subsequent vacancies only.

4.3. Election Process

An election process is initiated in the event that the number of nominated candidates is greater than the number of Shipper User positions available on the Modification Panel or any Sub-Committee.

¹ Where specific dates are stated and the date in question falls on either a weekend of public holiday then the first following working day will be used

Registered SPoCs will be invited, by email no later than the **01 August²**, to partake in the election process.

The Election window will be open for 3 weeks (15 business days) and closes at 17.00 on the last day of this period. SPoC notifications received by the Joint Office after the closure of the window will not be accepted.

- Each registered SPoC will be emailed with details of the nominated candidates, as well as ballot papers to be used for casting their vote(s).
- Responses will only be accepted from the email address of the registered SPoC or their alternative.
- Completed forms are to be returned to the Joint Office of Gas Transporters (uncelections@gasgovernance.co.uk)

Voting

For the **UNC Modification Panel (inc. UNCC)**, each Shipper Group is permitted to cast up to a maximum of [5] votes for the [5] places available to be filled. **QUESTION: Should this be 6 for the 2016 process (respecting Mod 0440 implementation on 01 October 2016?)**

For the **Demand Estimation Sub-Committee (DESC)** each Shipper Group is permitted to cast up to a maximum of 5 votes for the 5 places available to be filled.

For the **Energy Balancing Credit Committee (EBCC)** each Shipper Group is permitted to cast up to a maximum of 9 votes for the 9 places available to be filled.

For the **Performance Assurance Committee (PAC)** each Shipper Group is permitted to cast up to a maximum of 5 votes for the 5 places available to be filled.

For the **UK Link Committee** each Shipper Group is permitted to cast up to a maximum of 9 votes for the 9 places available to be filled.

A Shipper Group casting more than the permitted number of votes for either of the Modification Panel or Sub-Committee elections will have its vote rejected for that election.

All votes will be counted by one member of the Joint Office staff with verification by the Joint Office Chief Executive or agreed alternate³

Tied Vote

In the event that upon completion of the voting process two (or more) candidates have received the same number of votes, the above process will be repeated⁴. A new ballot paper will be circulated to the Single Point of Contact (SPoC) containing only the names of the candidates who received the same number of votes. In this instance, the Shipper Group will only be able to vote for the number of vacancies left to fill (i.e. in the event that there is one vacancy to fill but two names stated on the ballot, then only one vote will be allowed).

5. Elections Timescale

This section outlines the relevant timescale for the execution of all steps in the election process.

² Where specific dates are stated and the date in question falls on either a weekend of public holiday then the first following working day will be used

³ The alternate will be a member of the Joint Office senior management

⁴ This will only occur where the final outcome is impacted, i.e. if the tied candidates receive less than the top five candidates this process will not be triggered

- **By 01 June⁵** – Commence registration of Single Point of Contacts. The registration process will last no longer than 3 weeks.
- **By 01 July** – SPoCs are invited to nominate Modification Panel/UNCC and Sub-Committee representatives. The nomination process will last no longer than 3 weeks.
- **By 01 August** - (if election required) – details of candidates and ballot papers issued to SPoCs. Elections will last no longer than 3 weeks.
- **By 01 September** – Joint Office will issue notification of the elected candidates via its UNC distribution list.
- **From 01 October** – elected members will take up positions on the UNC Modification Panel and Sub-Committees.

6. Publication of results to the industry

- Names of elected candidates will be published at <http://www.gasgovernance.co.uk/elections> – and will be circulated by email
- Number of votes cast for each candidate – will be provided by email on request
- Names of Shippers who have voted - to be provided by email on request

⁵ Where specific dates are stated and the date in question falls on either a weekend of public holiday then the first following working day will be used

7. Appendix

Appointment Process for User Representatives of the Uniform Network Code Modification Panel, Code Committee and associated Sub-Committees

The following rules describe the process for appointing:

- User Representatives to the UNC Modification Panel and UNC Committee
- An Independent (non-voting) Suppliers' Representative (i.e. from a company not affiliated to a Users' Representative's employer) to the UNC Modification Panel and Code Committee; and
- User Representatives for the various UNC Sub-Committees.

Rules for Nomination and (if necessary) Election to the Uniform Network Code (UNC) Modification Panel and Code Committee.

Objective - to enable [five] User Representatives and one Independent Supplier Representative to sit on the UNC Modification Panel in accordance with the rules outlined in paragraphs 3 and 4 of the UNC Modification Rules.

- Nominations are invited from any relevant licensees who are:
 - **Users' Representatives** - holders of a Gas Shipping licence and who are bound under the UNC framework, and,
 - **Independent Suppliers' Representative** - holders of a Gas Supplier licence who are not affiliated to a Users' Representative and who supply customers connected to a pipeline system subject to the provisions of the UNC.

Each nominee must be willing to stand, and acknowledge that they are willing and able to represent the industry rather than just their employer, if selected. Candidates must satisfy themselves that they are familiar with the role and responsibilities of the UNC Modification Panel and UNC Committee.

- Individuals currently serving on the UNC Modification Panel and UNC Committee are eligible for re-election but must be re-nominated if they wish to be considered.
- If there are more nominees than positions an election will ensue under the following arrangements:
 - Each User will have a maximum of [five (5)] votes to be cast for the preferred candidates (e.g. if there are 7 User nominations, you will vote for the [5] people who you wish elected from within that group), only one (1) vote per candidate.
 - In addition, there will be a single vote per candidate for the Independent Supplier position.
 - The Election will be "first past the post" based on number of votes cast per candidate.
 - Terms of reference for Representatives are as set out in the UNC Modification Rules.

NB: In circumstances where a group of companies hold more than one licence, the group will only be entitled to make a single nomination and to exercise [five (5)] votes regardless of the number of licences held.

Any queries or disputes arising from these Rules will be determined by the Designated Person.

Rules for Nomination and (if necessary) Election to the Energy Balancing Credit Committee (EBCC)

Objective - to enable up to nine (9) User Representatives to sit on the Energy Balancing Credit Committee (EBCC).

Nominations are invited from any relevant licensees who are holders of a gas shipping licence and who are bound under the terms of the UNC framework.

Energy Balancing Credit Committee

Each nominee for the EBCC must be willing to stand, and acknowledge that they are willing and able to represent the industry rather than just their employer, if selected. Candidates MUST satisfy themselves that they are familiar with the role and responsibilities of the Energy Balancing Credit Committee.

- Individuals currently serving on the EBCC are eligible for re-election but must be re-nominated if they wish to be considered.
- If there are more nominees than positions an election will ensue under the following arrangements:
 - Each User will have nine (9) votes to be cast for the preferred candidates (e.g. if there are 10 User nominations, you will vote for the 9 people who you wish elected from within that group), only one (1) vote per candidate.
 - Election will be "first past the post" based on number of votes cast per candidate.
 - Terms of reference for Representatives are as set out in the relevant section of the UNC.

NB: In circumstances where a group of companies hold more than one licence, the group will only be entitled to make a single nomination and to exercise nine (9) votes regardless of the number of licences held.

Any queries or disputes arising from these Rules will be determined by the Designated Person

Rules for Nomination and (if necessary) Election to the Demand Estimation Sub Committee (DESC)

Objective - to enable up to five (5) Users' Representatives to sit on the Demand Estimation Sub Committee (DESC).

Nominations are invited from any relevant licensees who are holders of a gas shipping licence and who are bound under the terms of the UNC framework.

Demand Estimation Sub Committee

Each nominee for the DESC must be willing to stand, and acknowledge that they are willing and able to represent the industry rather than just their employer, if selected. Candidates MUST satisfy themselves that they are familiar with the role and responsibilities of the DESC.

- Individuals currently serving on the DESC are eligible for re-election but must be re-nominated if they wish to be considered.
- If there are more nominees than positions an election will ensue under the following arrangements:
 - Each User will have five (5) votes to be cast for the preferred candidates (e.g. if there are 6 User nominations, you will vote for the 5 people who you wish elected from within that group), only one (1) vote per candidate.
 - Election will be "first past the post" based on number of votes cast per candidate.
 - Terms of reference for Representatives are as set out in the relevant section of the UNC.

NB: In circumstances where a group of companies hold more than one licence, the group will only be entitled to make a single nomination and to exercise five (5) votes regardless of the number of licences held.

Any queries or disputes arising from these Rules will be determined by the Designated Person.

Rules for Nomination and (if necessary) Election to the Performance Assurance Committee (PAC)

NEEDS TO BE CHECKED ONCE THE TERMS OF REFERENCE ARE APPROVED

Objective - to enable up to five (5) Users' Representatives to sit on the Performance Assurance Committee (PAC).

Nominations are invited from any relevant licensees who are holders of a gas shipping licence and who are bound under the terms of the UNC framework.

Performance Assurance Committee (PAC)

Each nominee for the PAC must be willing to stand, and acknowledge that they are willing and able to represent the industry rather than just their employer, if selected. Candidates MUST satisfy themselves that they are familiar with the role and responsibilities of the PAC.

- Individuals currently serving on the PAC are eligible for re-election but must be re-nominated if they wish to be considered.
- If there are more nominees than positions an election will ensue under the following arrangements:
 - Each User will have five (5) votes to be cast for the preferred candidates (e.g. if there are 6 User nominations, you will vote for the 5 people who you wish elected from within that group), only one (1) vote per candidate.
 - Election will be "first past the post" based on number of votes cast per candidate.
 - Terms of reference for Representatives are as set out in the relevant section of the UNC.

NB: In circumstances where a group of companies hold more than one licence, the group will only be entitled to make a single nomination and to exercise five (5) votes regardless of the number of licences held.

Any queries or disputes arising from these Rules will be determined by the Designated Person

Rules for Nomination and (if necessary) Election to the UK Link Sub Committee

Objective - to enable up to nine (9) Users' Representatives to sit on the UK Link Sub Committee and to enable an unlimited number of Users' Representatives to formally become members of each of the other Sub-Committees.

Nominations are invited from any relevant licensees who are holders of a gas shipping licence and who are bound under the terms of the UNC framework.

UK Link Committee

- Each nominee for the UK Link Committee must be willing to stand, and acknowledge that they are willing and able to represent the industry rather than just their employer, if selected. Candidates **MUST** satisfy themselves that they are familiar with the role and responsibilities of the UK Link Committee.
- Individuals currently serving on the UK Link Committee are eligible for re-election but must be re-nominated if they wish to be considered.
- If there are more nominees than positions an election will ensue under the following arrangements:
 - Each User will have five (9) votes to be cast for the preferred candidates (e.g. if there are 10 User nominations, you will vote for the 9 people who you wish elected from within that group), only one (1) vote per candidate.
 - Election will be "first past the post" based on number of votes cast per candidate.
 - Terms of reference for Representatives are as set out in the relevant section of the UNC.

NB: In circumstances where a group of companies hold more than one licence, the group will only be entitled to make a single nomination and to exercise nine (9) votes regardless of the number of licences held.

Any queries or disputes arising from these Rules will be determined by the Designated Person.

Other Sub-Committees

- Nominations are required in respect of each UNC Sub-Committee that an individual wishes to become a member of.
- Each nominee must indicate they are willing and able to stand.
- Numbers of Users' Representatives will not be limited and hence no voting process will be necessary.

Any queries or disputes arising from these Rules will be determined by the Designated Person.

Determining Shipper Groups

This section provides Parties with an explanation of a Shipper group. It can assist Parties to determine if they are within a Shipper group so they can accurately inform the Joint Office of this status during the UNC election process. A Shipper's Company Secretary is in the best position to determine whether that Party belongs to a Shipper group.

Queries regarding your status as a trading party group should initially be directed to your Company Secretary. Further information is available from the Joint Office on +44 (0) 121 288 2107 or via email to uncelections@gasgovernance.co.uk.

During any election, each Shipper party can submit one vote. If a Shipper is part of a Shipper group, only one party in that group can vote in the elections.

Definition of a Shipper Group

A Shipper group is a group comprised of a Shipper and every Affiliate of that Shipper. An "Affiliate" is: any holding company of that Party, any subsidiary of that Party or any subsidiary of a holding company of that Party, (within the meaning of the Companies Act 2006 - section 1159).

A Shipper will be in a Shipper group with all other Shippers that are its Affiliates. This means, all other Shippers who are:

- A subsidiary company of the Shipper;
- The holding (parent) company of the Shipper; or
- A company, which is a subsidiary of the same holding company as the Shipper.