

UNC 0656 Workgroup Minutes Changes to Modification Panel arrangements Tuesday 11 September 2018

Attendees

Chris Shanley (Chair)	(CS)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Andy Clasper*	(AC)	Cadent
Darren Lond	(DL)	National Grid NTS
Joanna Ferguson*	(JF)	NGN
Kirsty Dudley*	(KD)	E.ON
Megan Coventry*	(MC)	SSE
Oorlagh Chapman*	(OC)	British Gas
Steve Mulinganie	(SM)	Gazprom

Apologies

Mark Bellman	(MB)	Scottish Power
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Copies of all papers are available at: <https://www.gasgovernance.co.uk/gov/110918>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 September 2018.

1.0 Introduction and Status Review

1.1. Approval of Minutes (04 June 2018)

The minutes from the previous meeting were approved.

1.2. Review of Outstanding Actions

Action 0601: Steve Mulinganie (SM) to include an “avoidance of doubt” statement in Business Rule 2.

Update: SM confirmed that a statement had been included in the amended Modification 0656.
Closed

Action 0602: Steve Mulinganie (SM) to clarify that the third party undertaking the investigation could include the Joint Office.

Update: SM confirmed that a statement had been included in the amended Modification 0656.
Closed

Action 0603: Steve Mulinganie (SM) to consider the inclusion of some text on the implications of voting decisions taken during an investigation or at the time of the conflict of interest.

Update: SM confirmed that a statement had been included in the amended Modification 0656.
Closed

Action 0604: Steve Mulinganie (SM) to amend the heading “Conflict of Interest Business Rules” in the solutions section to “Constituency-based Conflict of Interest Business Rules”.

Update: SM confirmed that a heading had been updated in the amended Modification 0656 and the title altered to *Conflicting Appointment Business Rules*. **Closed**

Action 0605: Transporters to provide text to explain how this modification better facilitates relevant objective (c).

Update: It was agreed that this is not required so the action is closed. **Closed**

Action 0606: Steve Mulinganie (SM) to include an expectation for Panel Members to complete a declaration form in Business rule 1 - Conflict of Interest.

Update: SM confirmed that a statement had been included in the amended Modification 0656. **Closed**

2.0 Consideration of amended modification

Steve Mulinganie (SM) provided a brief update of the changes to the Modification. He explained that the summary had been modified to include a broader scope which addresses how Voting Panel Members represent a constituency, arrangements in relation to Alternates, duration of tenure and attendance at meetings.

He highlighted the following changes in relation to Section 5 – Solution:

- A - Constituency Based Conflict of Interest heading amended to read Conflicting Appointment only
- B - Alternate arrangements. A Voting Panel Member must nominate 2 Alternates.
- C - A minor clarification of the wording on Voting Panel Member attendance.
- D – No change.

Darren Lond (DL) highlighted that in relation to Voting Panel Member attendance and the failure to participate in 3 consecutive meetings would not lead to an Urgent Election in the case of Transporters and Consumer representatives as they are not elected in this way. It was suggested that the Legal Text be reviewed under agenda Item 3.0 to check this was clear.

SM clarified that attendance at meetings includes attendance in person and via telephone.

Chris Shanley (CS), drew attention to the amended Modification highlighting that it includes strike-throughs in the Solution section which still show in the clean version of the amended Modification. He explained that an amended version of the Modification (version 4.0) had been provided by the Proposer and that this would be published today and used to complete the Final Workgroup Report.

3.0 Consideration of Draft Legal Text

Andy Clasper (AC) explained that 3 documents had been provided for consideration and these can be accessed on the meeting page:

- Legal Text 0656
- Legal Text – Annex A
- Legal Text Explanatory Table.

SM provided a brief walkthrough of the Legal Text Explanatory table and Legal Text documents. The following comments were raised as part of discussion:

Legal Text 0656

- Paragraph 7.1 – CS queried whether it was appropriate to include a reference to a specific Modification in the Legal Text. JF confirmed that she had seen it used in the past in relation to the transitional arrangements. After a general discussion, Workgroup participants considered that it would be appropriate but suggested that AC check this with Dentons as part of finalising the Legal Text.

Legal Text – Annex A

- Paragraph 4.1.6 – a typo was identified, the ‘t’ was missing from “(appointment period)” at the end of the sentence.
- Paragraph 4.4.1 (b) (i) – Workgroup participants highlighted that the Legal Text does not reflect the Modification because it does not reference absence from 3 scheduled meetings. The wording as currently drafted was considered to be ambiguous as it can be interpreted to include all Modification Panel meetings including ad-hoc meetings which is not the intention. AC agreed to review the final Legal Text and ensure that it includes clarification that this only includes absence from regular monthly scheduled meetings of the Modification Panel, as is the intent of the Modification.
- Paragraph 4.4.2 – DL pointed out that this paragraph does not reference an election for Transporters, so his earlier concern (see section 2) was no longer relevant. SM confirmed that there is no change to this section and the current process will be employed to fill any vacancies arising from non-attendance.
- Paragraph 4.5.5 in relation to Alternates attendance at Modification Panel meetings. The amended paragraph includes this sentence “Only one alternate of a Voting Member may attend a meeting of the Modification Panel”. Workgroup participants sought clarification that a second Alternate would still be able to attend in an observer capacity. AC agreed to clarify in the final Legal Text that only one Alternate can vote at a Modification Panel meeting but both Alternates can attend, the second Alternate would have observer status.

4.0 Development and Completion of Workgroup Report

The Workgroup reviewed and updated sections 6-10 of the Workgroup Report. Workgroup recommended that the Modification 0656 should proceed to consultation.

5.0 Next Steps

CS confirmed that the next steps are:

- Publication of the amended Modification version 4.0.
- Completion of the Workgroup Report to reflect discussions at the meeting.
- Finalisation of the Legal Text. Cadent to liaise with Dentons to clarify the legal text as discussed in the meeting and provide a final version of the Legal Text before the Modification is issued for consultation.
- Discussion of the Workgroup Report by the Modification Panel on 20 September 2018.

6.0 Any Other Business

None.

7.0 Diary Planning

No further Workgroup meetings are planned.

Action Table (as at 11 September 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0601	04/06/18	1.0	Steve Mulinganie (SM) to include an “avoidance of doubt” statement in Business Rule 2.	Steve Mulinganie (SM)	Closed

Action Table (as at 11 September 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0602	04/06/18	1.0	Steve Mulinganie (SM) to clarify that the third party undertaking the investigation could include the Joint Office.	Steve Mulinganie (SM)	Closed
0603	04/06/18	1.0	Steve Mulinganie (SM) to consider the inclusion of some text on the implications of voting decisions taken during an investigation or at the time of the conflict of interest.	Steve Mulinganie (SM)	Closed
0604	04/06/18	1.0	Steve Mulinganie (SM) to amend the heading "Conflict of Interest Business Rules" in the solutions section to "Constituency-based Conflict of Interest Business Rules"	Steve Mulinganie (SM)	Closed
0605	04/06/18	3.0	Transporters to provide text to explain how this modification better facilitates relevant objective (c).	Transporters	Closed
0606	04/06/18	3.0	Steve Mulinganie (SM) to include an expectation for Panel Members to complete a declaration form in Business rule 1 - Conflict of Interest.	Steve Mulinganie (SM)	Closed