

## SEFE Energy Representation Draft Modification Report

### Modification OUNC 0839: Revision of the Modification Panel Membership Cessation Provisions

1. **Consultation close out date:** 7<sup>th</sup> July 2023
2. **Respond to:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)
3. **Organisation:** SEFE Energy  
5<sup>th</sup> Floor  
8 First Street  
Manchester  
M15 4RP
4. **Representative:** Steve Mulinganie  
Regulation Manager  
[stevemulinganie@sefe-energy.com](mailto:stevemulinganie@sefe-energy.com)  
0799 097 2568
5. **Date of Representation:** 6<sup>th</sup> July 2023
6. **Do you support or oppose Implementation:**  
We **Do Not Support** implementation of this Modification
7. **Please summarise (in 1 paragraph) the key reason(s) for your position:**  
In principle we do not agree that the fitness for purpose of an elected Modification Panel Member who represents a constituency should be fundamentally linked to the continuity of their relationship with the entity that originally nominated them. We note concerns in relation to the potential for a Conflict of Interest to arise but note this was addressed in detail in Modification 0656 - Changes to Modification Panel arrangements which was approved by Ofgem in November 2018.  
<https://www.gasgovernance.co.uk/0656>.
8. **Are there any new or additional Issues for the Modification Report:**  
No
9. **Self-Governance Statement Do you agree with the status?**  
Not Applicable

**10. Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

We **disagree** with the proposer that this modification is positive in respect of Relevant Objective (f) and believe it is negative in respect of Relevant Objective (f) as it would unnecessarily remove a Panel Member from post should a relevant event occur and no conflict of interest exists.

**11. Consumer Benefits:**

*Do you have any comments on the Consumer Benefits?*

**Not Applicable**

**12. Impacts & Costs:**

*What analysis, development and on-going costs would you face if this modification was implemented?*

We **have not** identified any significant costs associated with the implementation of this modification

**13. Implementation:**

*What lead times would you wish to see prior to this modification being implemented, and why?*

**No preference**

**14. Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

We **have not reviewed the Legal Text** but note the workgroups comments:

*"The Workgroup considered the Legal Text on 17 April 2023 and 22 May 2023 and is satisfied that it meets the intent of the Solution"*

**15. Modification Panel Questions:**

*Do you have any comments on any questions raised by the Modification Panel?*

**Not Applicable**

**16. Performance Assurance Considerations:**

*Do you have any comments?*

**Not Applicable**

**17. Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.*

**Yes**

If entities who nominate parties are concerned about this type of risk, then it could be better addressed in the bilateral terms between those parties e.g. the termination arrangements between the parties in the relevant contract.