

UNC Related Document

Rules Governing the UNC Shipper User Appointment process

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1. Background

This document is required as a result of the implementation of Uniform Network Code (UNC) Modification Proposal 0294 and is referenced in the Uniform Network Code Modification Rules under paragraphs 3.5.8 and 4.2.6.

This document is listed in Transportation Principal Document Section V 12.1 and is therefore subject to change by the Uniform Network Code Committee.

2. Introduction, General Purpose and High Level Summary

The purpose of this document is to set out the process to be followed by the Designated Person – this being the Secretary of the UNC Modification Panel - when appointing Shipper User Representatives to serve on the Uniform Network Code (UNC) Modification Panel.

The UNC Modification Rules allow for up to six (6) Shipper User Representatives to be appointed to the UNC Modification Panel. Of those six Shipper User Representatives, a maximum of three shall be appointed to the Large Supply Point (LSP) constituency, and a maximum of three shall be appointed to Small Supply Point (SSP) constituency.

To commence the appointment process, the Designated Person shall invite all interested parties to nominate themselves as a Member to serve on the forthcoming Panel.

Nomination responses shall include a declaration by nominees as to which constituency they wish to represent if appointed - either the LSP or the SSP constituency. Each candidate's declaration should be aligned with their assessment of whether their substantive employer's business interests are mainly connected with, or aligned to, the shipping and/or supply of gas to domestic gas consumers, or the shipping and/or supply of gas to non-domestic consumers. Factors that are likely to indicate which constituency should be selected include whether the Shipper is part of or is affiliated to a group of companies with a domestic supply licence (as issued by Ofgem), and whether the majority of sites in Great Britain to which gas is shipped consume more (LSP) or less (SSP) than 73,200kWh per annum.

Where no employer can be identified by the nominee, or where the nominee is unable to identify an alignment to either the SSP or the LSP constituency, advice should be sought from the Designated Person. Nominations that the Designated Person believes fall into the wrong constituency may be disregarded.

Having received nominations, the Designated Person shall satisfy themselves as far as reasonably practicable:

- That all nominees fall into the correct constituency (where doubt exists, the Designated Person shall have the ability to refer the nomination response to the serving Modification Panel for a view,

and/or reject a nomination that in their view falls into the incorrect constituency).

- That only one candidate per group of companies and its affiliates has been nominated (as above, where doubt exists a view can be sought from the serving Panel, and/or all nominations suspected to originate from the same group of companies may be rejected).

Where more than three nominations are received for either one or both constituencies, the designated Person shall conduct an election process for the over-subscribed constituency(ies).

The main elements of the election process shall be:

- The election is open to votes by companies holding a valid Shipper licence (as issued by Ofgem).
- Each single group of companies and its affiliates shall be eligible to cast up to six (6) votes, giving a maximum of one vote per nominee. No obligation shall exist to cast all six votes, and votes may be cast across both constituencies as the voter sees fit.
- In order to prevent a single group of companies casting more than six votes, where doubt exists as to what constitutes a single group of companies and its affiliates, potential voters who are in doubt about their voting rights are encouraged to discuss the matter with either the Designated Person or the UNC Modification Panel Chairman. Where the Designated Person believes more than six votes have been received from a single group of companies, he/she may refer the matter to the service UNC Modification Panel for a view and/or disregard all votes suspected of being from the same group of companies and its affiliates.
- At the close of the election window, all votes received and not disregarded shall be counted. The three (or up to three) LSP constituency nominees who have received the highest number of votes shall be appointed as the LSP Shipper User Representatives, and the three (or up to three) SSP constituency nominees who have polled the highest number of votes shall be appointed as the SSP Shipper User Representatives.
- The Designated Person shall, as soon as practicable, publish:
 - The names of the three (or up to three) people appointed to each shipper constituency; and
 - The number of votes cast for every nominee (i.e. including both the appointed and the non-appointed nominees).

The Shipper Appointment Process in More Detail

3. Nomination Invitation

3.1. No later than 1st August in each Gas Year, the Designated Person shall commence a process of inviting nominations from people who wish to serve as Members of the UNC Modification Panel which commences its term at the start of the forthcoming Gas Year.

3.2. The invitation(s) referred to in 1.1 shall be issued in a manner which, in the view of the Designated Person, gives adequate and appropriate publicity in order to attract nominations.

3.3. The invitation(s) referred to above shall include:

3.3.1. Information to the effect that a maximum of six Shipper User Representatives are sought for appointment to the Panel.

3.3.2. Information to the effect that the Panel term starts on 1st October in the relevant year.

3.3.3. A requirement that all respondents provide with their nomination response their name, job title, office address, email and telephone contact details.

3.3.4. A requirement that all respondents provide with their nomination response the name and registered head office address of their substantive employer.

3.3.5. Information to the effect that only one nomination per group of companies and its affiliates is allowed and also a requirement that all respondents certify with their nomination response that to the best of their knowledge the response that they submit is the only response from their relevant group of companies and its affiliates.

3.3.6. Information to the effect that further information on the role of the UNC Modification Panel, and of Shipper User Representatives, can be obtained by contacting the Designated Person or the UNC Panel Chairman, and contact details for the Designated Person and the Panel Chairman.

3.3.7. Information on how to respond to the nomination invitation, and by what date responses are required.

3.3.8. An accurate representation of the Shipper User Representative constituency arrangements as set out in the UNC Modification Rules, and a requirement that all respondents:

3.3.8.1. Confirm with their nomination response that they understand the arrangements in the UNC Modification Rules pertaining to Shipper User constituencies; and

3.3.8.2 Confirm with their nomination response which constituency they are nominating themselves for; and

3.3.8.3 A requirement for every respondent to certify with their nomination response that in their opinion the Shipper User Representative constituency into which they have nominated themselves is correct according to the UNC Modification Rules.

3.3.8.4. Information that incomplete or incorrectly completed responses to invitations may be disregarded.

3.4. A minimum of three weeks should normally be allowed by the Designated Person for receipt of responses from the date that the nomination invitation was initially issued.

4. Receiving, Sorting and Verifying Shipper User Representative Nomination Responses

4.1 The Designated Person shall make arrangements for all properly completed nomination responses to be received and recorded.

4.2. Subject to 2.3.1, all nomination responses that are in the opinion of the Designated Person incomplete, or otherwise improperly completed, or received after the closing date for the nomination process as set out in the nomination invitation, shall be disregarded.

4.3. The Designated Person shall, where they believe that it is possible and appropriate, contact the senders of incomplete or improperly completed nomination responses, or responses received after the closing date for the nomination process, and explain that their nomination response has been disregarded, and the reasons for this.

4.3.1. Where the Designated Person is considering disregarding a nomination response because:

- in the opinion of the Designated Person the nomination response seeks to place a nominee in the incorrect Shipper User Representative constituency, or
- in the opinion of the Designated person the nomination response is one of more than one nomination response from the same group of companies or its affiliates, the Designated Person may prior to deciding whether or not to disregard such nomination responses refer the matter to the serving UNC Modification Panel for a view.

5. Assessing and Communicating the Outcome of the Nomination Response Process

5.1. Where a maximum of three nomination responses for either constituency are received and not disregarded, the Designated Person shall within ten (10) Business Days of the closing date for receiving nomination responses commence a process of informing all parties who, in the opinion of the Designated Person are interested parties, of the names, substantive employers and Shipper User Representative constituencies of the nominees who are thereby appointed as Shipper User Representatives for the forthcoming Gas Year.

6. Shipper User Representative Election Process

6.1. Where more than three responses for either constituency are received and not disregarded, the Designated Person shall within ten (10) Business Days of the closing date for receiving responses commence a process in order to elect three of the nominees to the over subscribed constituency(ies).

6.2. The Shipper User Representative election process will commence with the Designated Person communicating to all parties who, in the opinion of the Designated Person are interested parties, that more than three nominations have been received for either one or both constituencies, and that an election is required in order to appoint the three Shipper User Representatives to the over-subscribed constituency(ies).

6.3. The process of communication referred to in 4.2. shall include:

6.3.1 Information on the names, substantive employers and declared Shipper User Representative constituencies of all eligible nominees for whom votes can be cast.

6.3.2 The ability for voters unambiguously to record their votes against their chosen nominees.

6.3.3. Information to the effect that a maximum of six votes are able to be cast per group of companies and its affiliates providing that at least one of those companies holds at least one (1) valid Shipper licence (as issued by Ofgem).

6.3.4. Information that voters can only cast a maximum of one vote per nominee, up to a maximum of six votes in total.

6.3.5. A requirement that all voting parties provide with their voting return the name and registered head office address of their substantive employer.

6.3.6. A requirement that all respondents certify with their voting return that they are voting on behalf of a group of companies and its affiliates at least one of which holds at least one (1) valid Shipper licence (as issued by Ofgem) and is therefore eligible to vote in the UNC Shipper User Representative election.

6.3.7. A requirement that all respondents certify that to the best of their knowledge they are providing the only voting return in the Shipper User Representative voting process on behalf of their respective group of companies and its affiliates.

6.3.8. Information on how to respond to the Shipper User Representative voting process, and by what date responses are required.

6.3.9. Information that incomplete, or incorrectly completed voting returns may be disregarded.

6.4. A minimum of three weeks should normally be allowed for the Shipper User Representative Election Process.

7. Receiving, Sorting and Verifying Shipper User Representative Nomination Responses

7.1. The Designated Person shall make arrangements for all properly completed voting returns to be received and recorded.

7.2 Subject to 5.3.1. all voting returns that are in the opinion of the Designated Person incomplete, or otherwise improperly completed, or received by the Designated Person after the closing date stated in the voting communication process, shall be disregarded.

7.3. The Designated Person shall, where they believe that it is possible and appropriate, contact the senders of incomplete or improperly completed voting returns and explain that their voting return has been disregarded, and the reasons for this.

7.3.1. Where the Designated Person is considering disregarding a voting return because in the opinion of the Designated Person that voting return is one of more than one such voting return from the same group of companies and its affiliates, the Designated Person may prior to deciding whether or not to disregard such a voting return refer the matter to the serving UNC Modification Panel for a view.

8. Assessing and Communicating the Outcome of the Voting Process

8.1. The Designated Person shall identify by means of a simple majority count of the votes received for each nominee who participated

in the Shipper User representative election process and not disregarded:

8.1.1. the three (3) nominees in the LSP Shipper User Representative constituency who individually have received the highest number of votes.

8.1.2. the three (3) nominees in the SSP Shipper User Representative constituency who individually have received the highest number of votes.

8.2. The maximum of six (6) nominees identified by the Designated Person following the process set out in 6.1.1 and 6.1.2. shall, where such appointments were not made immediately following the Shipper User Representative nomination process, be returned as the appointed Shipper User Representatives in their respective constituencies to commence their term at the start of the forthcoming Gas Year.

8.3. The Designated Person shall, within ten (10) business days of the closing date for receiving votes as set out in the voting communication process, commence a process to communicate to parties who, in the opinion of the Designated Person may be interested parties:

- The names of the three (or up to three) people appointed to each shipper constituency; and
- The number of votes cast for each individual nominee who took part in the Shipper User Representative election process.

9. Shipper User Representative Panel Appointments other than for the Start of a Gas Year

9.1. Where a Shipper User Representative vacancy arises part way through a Gas Year, the Designated Person may conduct an appointment process in order to fill that vacancy.

9.2. Considerations to be taken into account when deciding whether to conduct an appointment process to fill the vacancy may include;

- the number of Panel meetings expected to take place before the appointment of a new Panel for the forthcoming Gas Year;
- the appointment of a voting alternate (in accordance with the Modification Rules) by the Shipper User representative who has caused the vacancy;
- the total number of Voting Panel Members and Shipper User Panel Representatives serving on the Panel.

9.3. Where the Designated Person decides that it is appropriate to seek to appoint a Shipper User Representative in advance of the next scheduled appointment process, a process shall be followed which

aligns as closely as possible with the process set out in this document for appointing Shipper User Representatives as part of a scheduled Panel appointment process, save that appointments shall only be sought for the vacant positions.