

UNC Workgroup Individual Terms of Reference

0699 – Incentivise Key Areas of Performance using additional UIG Charges

Introduction

This is an Individual Terms of Reference that includes matters referred from Panel or identified within any initial representations. It replaces the standard Terms of Reference.

Purpose of the Modification and its Solution

Please refer to www.gasgovernance.co.uk/0699

It is proposed to create a Shipper incentive mechanism, which encourages the achievement of key UNC targets and obligations. A proportion of Unidentified Gas (UIG) charges will be levied each month to Shippers, where performance has not met a set of pre-determined UNC targets.

Topics for Discussion

- Understanding the objective
- Panel Questions:
 - Q1. Do these arrangements conflict or overwrite the AUG arrangements?
 - Q2. Should this be a neutrality arrangement process for apportioning UIG?
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text.

Output

To produce a Workgroup Report, for submission to the UNC Modification Panel, containing the assessment and recommendation(s) of the Workgroup.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two Shipper User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office of Gas Transporters and conducted in accordance with the Code Administration Code of Practice (<https://www.gasgovernance.co.uk/cacop>)