

# UNC Mod 0612 – Project Management and Assurance Provisions for Gas Industry Changes

UNC Modification Panel

16<sup>th</sup> February 2017



**SGN**

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# Why Change?

- Ofgem's Code Governance Review<sup>1</sup> recommended that Panels  
*"...put in place appropriate project management and/or assurance arrangements to provide for greater oversight and to coordinate major change."*
- We have seen the benefit of such an approach through Project Nexus
- Pre-cursor to enhanced Code Management role as recommended by the CMA Code Governance Remedies

1 - <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-final-proposals>

# Options

- Processes and criteria required to
  - Agree PM/A is required
  - Agree an appropriate level
  - Agree appropriate charging
- These will need to be supported by the relevant UNC amendments to create the appropriate governance
  - Decision-making vires
  - Changes to the modification rules

# Solution

- As drafted -
  - Proposer suggests PM/A might be required
  - Panel assess whether the criteria have been met
  - If PM/A is determined to be required, the costs and specification will be included in the workgroup report
- This is likely to change....
  - Recent direction from Ofgem that PM/A should be a CDSP service

To be discussed further during development....

# Next Steps

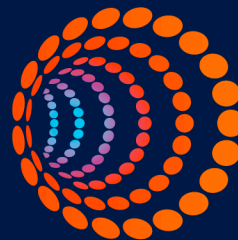
SGN recommends that this modification should be:

- Not subject to self-governance, as the change will impact<sup>2</sup>:
  - *‘Competition in, or commercial activities related to, the shipping, transportation or supply of gas’* as it entails parties incurring an additional cost
  - *UNC governance or modification procedures*, as it will amend the modification rules
- Issued to workgroup development for six months
- Returned to Panel on 12<sup>th</sup> September 2017

2 - Self-Governance Guidance for Proposers -

<http://www.gasgovernance.co.uk/sites/default/files/UNC%20%E2%80%93%20Self%20Governance%20Guidance%20v1.0.pdf>

# Any Questions?



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