

UNC - Modification Rules and UNC Committee

Issues and potential amendments to the UNC Modification Rules to incorporate iGTs

Reference	Issue
Modification Rules	
3.2.1	<p>The Association of Independent Gas Transporters (AIGT) (a company limited by guarantee) is currently entitled to appoint one non-voting representative (the Independent Transporters' Representative (ITR)) to the Modification Panel.</p> <p>The voting members of the Mod Panel are:</p> <ul style="list-style-type: none"> (a) up to 5 Transporter Representatives; (b) up to 5 Users' Representatives; and (c) up to 2 Consumers' Representatives. <p>We consider that the ITR should be included as a new voting member. The ITR will be a new class of voting member (and so will not be considered a Transporter Representative). There should be one ITR on the Mod Panel.</p> <p>All decisions apart from variation / withdrawal of modification proposals are made by a simple majority of all the votes exercisable by voting members at a meeting (see 5.1.2). The chairman (a Transporter) also has a casting vote where there is a tie. The ITs will be entitled to appoint one voting member only to the Mod Panel and so we believe this will not affect the balance of voting significantly.</p>
3.2.2 and 3.2.3	The ITR will be a voting member, 3.2.2 will apply and so the ITR reference should be deleted from 3.2.3.
4.1.5	The members of AIGT are entitled to appoint one ITR. This does not need to change.
4.2	Specific provisions governing the retirement of representatives apply to Transporters' / Users' representatives. If we want to be completely consistent, we would prescribe extending these provisions to apply to ITR(s).
4.4.1	The provisions in 4.4.1 whereby Voting Members cease to be Members will apply to the ITR as a Voting Member.
5.5.1	<p>The quorum requirements for the modification panel should be retained in their current form. The current composition is 2 Transporters' Representatives, 2 Users' Representatives (excluding the Panel Chairman) and together, a total of 6 Voting Members.</p> <p>We consider the ITR will not need to be present for the Mod Panel to be</p>

	quorate. Therefore it will be not matter if AIGT fails to appoint an ITR.
5.10.1	Individuals (who are not Members) are entitled to attend and observe meetings of the Mod Panel on behalf of Users, Transporters or Non-Code parties. This provision should be extended to permit individuals to attend on behalf of ITs.
5.10.3	Transporters and Users are entitled to raise objections against the attendance at meetings of the Mod Panel of persons invited by Ofgem; this right should be extended to ITs.
6.1.1	ITs will be entitled to propose modifications to the UNC. We consider Paragraph 6.1.1 will be extended to include ITs. The IT right to propose modifications will cover the whole UNC and will not be limited to specific sections. On this basis, 1.6.1 will be amended to extend to ITs the assistance provided by the Code Administrator to Users/ Consumer representatives for preparing mods. 6.1.5 will also be extended to restrict proposals by ITs during a significant code review. Further amendments with regard to the modification process may also be needed flowing from amendment of 6.1.1.
6.1.2	Transporters and Users have the right to propose modifications to Individual Network Codes. It is proposed that ITs will also be entitled to propose modifications to individual network codes. 6.1.6 will be extended so that proposals made by ITs are also restricted during a significant code review.
6.5.4	Variation of a Modification Proposal under 6.5.4(a) requires a unanimous vote. Note impact of giving the ITR the right to vote.
7.2(c) and 7.2.5	If required by the Mod Panel, Transporters must provide a rough outline of magnitude assessment. This obligation could also be placed on ITs. Under 7.2.5, Transporters are also required to provide an analysis and estimate of proposed changes. Paragraph 7.2.5 could be amended so that the Mod Panel can request such an analysis and estimate from ITs (and see 7.2.6 and 7.2.7).
8 and definition of "Workgroup"	Note that ITs may want more involvement in Workgroups.
12.3	This section on representations should be extended to those made by ITs.
12.4	Transporters and Users adopting a modification proposal have rights to vary/ modify the proposals. ITs should have the same rights in 12.4.
13	Transporters, Users and other specified parties are entitled to appeal decisions made in respect of self-governance modifications. The appeal

	procedures should be extended to allow ITs to make appeals in relation to self-governance modification proposals.
5.3.2; 5.5.2; 5.9; 5.11.1; 5.11.2; 6.5.2; 6.7.2; 7.1.1; 7.3.1(d); 7.5; 9.1; 9.3; 9.5; 9.7.3; 10.1; 10.2.2; 11.4.3; 12.7; 12.8; 13	There are a number of provisions which require notices of meetings / copies of documents to be sent to each Transporter and each User (in addition to each Member of the Mod Panel). These provisions should be extended so that notices and documents need to be given to each IT (in addition to the ITR(s)).
UNC Committee - GTB	
GTB 4.1	<p>The UNC Committee comprises all of the persons who are members of the Mod Panel. Making the ITR a voting member on the Mod Panel will therefore impact the UNC Committee (unless GTB 4.1 is amended). The ITR will, therefore, also be a voting member on the UNC Committee.</p> <p>It is important to note that under GTB 4.1.2, the Consumers' Representatives are not entitled to vote in any vote held by the UNC Committee.</p>
GTB 4.3.1 and 4.3.5	The UNC Committee may establish sub-committees by panel majority. The sub-committees must include persons representing the Transporters, Users, the Authority and any other persons the UNC Committee determines should be on the panel (which can include ITs without need for any amendment).
OAD Section N Paragraph 8	<p>Section N of the OAD creates a sub-committee (the Offtake Committee) to govern admission to the OAD and the governance of the subsidiary documents.</p> <p>We consider a similar committee is needed for the ITAD (an ITAD Committee). The ITAD will create and set out the functions of the ITAD Committee. The ITAD Committee will comprise the five transporter representatives on the UNC Committee and the ITR. The ITAD Committee will govern admission and withdrawal of the ITs to the ITAD and conduct governance of the subsidiary documents. (However, the ITAD Committee could be created under the UNC Committee provisions).</p> <p>An alternative would be to give the governance of admission/ withdrawal and the ITAD subsidiary documents to the Offtake Committee, which is set up under the OAD. The Offtake Committee already carries out these functions in relation to the OAD. However, this is not a suitable option because the Offtake Committee is currently made up of only the Transporters' Representatives on the UNC Committee. The ITRs should have one voting representative on a committee governing the ITAD, but should not be able to vote on offtake arrangements, which relate to Transporters only. Therefore, in our view, there needs to be a separate ITAD committee.</p> <p>Note that as the Transporters will have a significant majority of votes against the one ITR, the Transporters will have control over who is</p>

	admitted to the ITAD.
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