

UNC Workgroup 0839 Minutes
Revision of the Modification Panel Membership Cessation Provisions
Monday 17 April 2023
via Microsoft Teams

Attendees

Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON
Ellie Rogers	(ER)	CDSP
Guv Dosanjh	(GD)	Cadent
Kathryn Adeseye	(KA)	CDSP
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Rebecca Hailes	(RH)	Joint Office
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Ltd

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2023.

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

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: www.gasgovernance.co.uk/0839/170423.

1.0 Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of minutes (20 March 2022)

KE noted the proposed changes to the minutes from the previous meeting which were considered approved.

1.2. Approval of Late Papers

None to approve.

1.3. Review of Outstanding Actions

No actions were outstanding.

2.0 Amended Modification

The Modification has not been amended and is currently v2.0 dated 21 March 2023.

3.0 Development of Workgroup Report

In undertaking a detailed onscreen review of the draft Workgroup Report (v0.1, dated 05 April 2023), KE completed amendments in-line with the feedback provided by those Workgroup participants in attendance.

A high-level summary of the most notable updates to the document undertaken being:

Governance

KE clarified that there was no majority determination at UNC Modification Panel that Self Governance procedures should apply, the consensus was that it should be Authority Direction.

PL advised he does not expect to revise the Modification in terms of Governance, it will remain as Authority Direction unless the Panel vote otherwise.

KE also clarified there is no requirement for a Rough Order of Magnitude and there are no Performance Assurance considerations to be made.

Issues and Questions from Panel

The Issues and Questions from the Panel have been addressed in the Workgroup Report based on discussions held at the last Workgroup meeting.

KE sought confirmation from Workgroup that they are happy with the wording for this section, and Workgroup confirmed they had nothing further to add.

Workgroup Impact Assessment

In reviewing the Workgroup Impact Assessment, Steve Mulinganie (SM) challenged the linkage of a person's competency with employment. Rebecca Hailes (RH) said that for Nominations of Users to a Committee, the nominator nominates a person who they think is suitable for the role.

PL shared the interpretation used in **General Terms Section 2 INTERPRETATION**

2.9 *Miscellaneous*

2.9.5 *A reference in the context of any provision of the Code to a “representative” of any person is a reference to any director, officer or employee of that person or any agent, consultant or contractor appointed or engaged by that person for purposes connected with the subject matter of the relevant provision of the Code.*

Reviewing the wording, SM noted it implies there is a distinct link with the appointor being the constituency.

When SM asked if the Appointor is the constituency or the person that nominated the User, section 3.2.1 h) was referred to:

3.2 Members

3.2.1 *The Modification Panel shall be composed of:*

- (a) the Panel Chairperson, being (without prejudice to paragraph 5.8.2) a non-voting Member;*
- (b) up to five (5) other Transporters' Representatives, being Voting Members;*
- (c) if appointed, up to six (6) Users' Representatives, being Voting Members;*
- (d) if appointed, the Ofgem Representative, being a non-voting Member;*
- (e) if appointed, the Terminal Operators' Representative, being a nonvoting Member;*
- (f) if appointed, up to two (2) Consumers' Representative(s), being Voting Members;*
- (g) if appointed, the Independent Suppliers' Representative, being a nonvoting Member; and*
- (h) if appointed, the Independent Gas Transporters' Representative, being a Voting Member (the persons appointing the Members under paragraphs (b), (c), (f) and (h) being the “Panel Constituency” in respect of such Members).***

3.2.2 *It is expected that each Voting Member shall, as appropriate, represent and inform the Modification Panel of the views of that Member's appointor (or appointors) in relation to Modification Proposals and Requests.*

Some Workgroup participants agreed that this Modification supports bringing consistency across Industry Codes and is therefore a strong argument for change.

Relevant Objectives

Positive f)

SM disagreed with the Proposer's view stating that the changes introduced as part of Modification 0656 – Changes to Modification Panel arrangements, addresses this and believes that this Modification restricts the ability to access industry expertise and he thinks the Modification is negative for f).

It was noted that Modification 0656 was a pragmatic approach to the circumstances being addressed in this Modification.

CM said this covers the scenario where, as a result of a change in employment, your ability to represent is changed.

It was mentioned that because there is a split view on the Relevant Objectives Workgroup could recommend a question be asked for the consultation.

SM asked if there is any retrospective impact if somebody ceases to be employed but continues to discharge the role. PL advised this is covered in the Legal Text but is not retrospective.

It was also noted that this scenario is similar to the Conflict of Interest that is noted in the Modification Rules which is not retrospective either.

When PL asked if there is an implicit onus on the secretary, RH said she will confirm.

Legal Text Review

PL provided a detailed walkthrough of the Legal Text changes which were shown in mark-up.

Workgroup debated what checks would be made if a notification is received from a third party that a member is no longer employed.

SM advised that this scenario is not affording the same protection as the Conflict of Interest clause 4.4.6. The role of the Chair is different in the approach for this scenario.

4.4.6 Where a Member has bona fide grounds for believing a Voting Member or its alternate holds (or will hold) a Conflicting Appointment the Member may notify the Panel Chairperson, and the Panel Chairperson may investigate the matter; and where the Panel Chairperson determines (that in its reasonable opinion) the Voting Member or alternate holds (or will hold) a Conflicting Appointment the Secretary shall notify the Voting Member or the alternate, the other Members and such other relevant persons as the Secretary determines) and the Voting Member or the alternate shall cease to be a Member or an alternate with immediate effect.

PL noted that Conflict of Interest is more of a subjective view, whereas you are either employed or not.

RH clarified that under clause *d) the Secretary is informed a Member (other than the Panel Chairperson) has ceased (or will cease) to be employed or engaged by the entity which employed or engaged the Member at the time of the Member's nomination for appointment or re-appointment*, she would check with the nominating person that the information received is correct, if it was found to be unfounded, she would inform the Panel Chair.

SM highlighted that under clause 4.4.1 d) the secretary has no power to check information received, it is silent.

RH suggested there could be an equivalent paragraph for the scenario of this Modification where the Panel Chair may investigate the matter.

New Action 0401: Proposer (PL) will revisit the wording in 4.4.1 d) and add in 'seeking verification'.

Workgroup agreed the Legal Text satisfies the intent of the solution.

4.0 Next Steps

- Completion of the Workgroup Report.

- Final review of the Legal Text

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Monday 22 May 2023	5pm Friday 12 May 2023	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> • Completion of the Workgroup Report. • Final review of the Legal Text

Action Table (as at 17 April 2023)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	17/04/23	3.0	Proposer (PL) will revisit the wording in 4.4.1 d) and add in 'seeking verification'.	May 2023	Proposer (PL)	Pending