

## **iGT046 – Revisions to the Mod Rules**

**Development Group Meeting 25<sup>th</sup> July 2012**

**E.ON Offices, Pall Mall, London**

### **Attendees:**

Colette Baldwin - E.ON (Chair)

Trevor Clark – E.ON

David Speake – ES Pipelines

Adam Pearce – ES Pipelines

Leanne Thomas – Npower

Tracey Goymer – GTC (via Teleconference)

Lisa Charlesworth – Ofgem

### **Introductions**

Introductions were completed, after which LC advised her attendance at the meeting related to the second phase Code Governance Review (CGR) being undertaken by Ofgem. The existing Code Governance Rules had originally been written based on the BSC, CUSC and UNC Codes, the intention now was to increase the scope to cover additional Industry Codes including the iGT UNC. As the Modification Rules will be reviewed as part of the second phase review this Workgroup was of particular interest to LC.

### **Overview of Mod**

CB summarised the main purpose of the Mod was to align, as far as possible, the iGT Modification Process and timescales to the UNC Modification Process. This would allow changes affecting both codes to go through a similar process with similar timescales being applied, under the current arrangements this wasn't possible.

As a general principle the group agreed that the existing UNC Modification Process should be used as the basis for the iGT Modification Process, this would remove the requirement for a Draft Final Modification Report (DFMR) to be completed. LC advised that the UNC Mod Process had been written using the Code Administration Code of Practice as a guide and was therefore more in line with Ofgem's expectations. That said there were some elements of the existing iGT Mod process, namely the implementation timescales, which compared well against the UNC process and should be borne in mind.

## Review of UNC Modification Process

The group reviewed the UNC Mod Process against the existing iGT UNC Mod Process; the following points were agreed and/or noted:

1. UNC Clause 6.2 (Content of Modification Proposals) - this provided more detail than the similar iGT UNC clause, particularly around clarifying which elements of the UNC would be impacted by the Mod and the likely system/process impacts.
2. Although rarely used, it was agreed to keep the iGT Review option open for new Proposals. *(Post Meeting note – Under the UNC a Review is a 'Request', this terminology shall be used in the DMR)*
3. Under the existing iGT rules a Mod Proposal will go to the Mod Panel prior to being issued, in the UNC process the Proposal is distributed in advance of the next meeting of the Mod Panel within 3 business days of receipt. It was agreed that this process was more time efficient and should be duplicated under the new iGT process. It was also noted that both the UNC and iGT Mod Panel's usually meet the day after one another which would benefit Proposals raised across both Codes.
4. Current iGT Mod rules dictate that the Panel decides which route the Mod Proposal should take, i.e. Consultation or Development, alternatively a proposal for a Review/Request can be made. Under the UNC rules the proposer of the Mod generally provides this guidance (subject to the Panel agreeing). CB and DS agreed that the UNC method should be followed going forward.
5. The group agreed to retain the existing iGT UNC option allowing the Mod Panel to decide if short notice business (received less than 10 business days before the Panel meeting) should be included on the Panel meeting agenda.
6. The Group agreed to follow the procedures laid out in UNC Clause 9.1 (Consultation – Draft Modification Report), this involves 15 business days being allowed for the DMR to be created when the Mod Panel decide Legal Text is required, or alternatively 3 business days where no Legal Text is required.
7. The UNC equivalent of the iGT UNC Representative is the 'Secretary', it was agreed that the revised iGT Mod process should continue to reference the Representative.
8. CB enquired if the iGT's contract with Gemserv would need to be amended in any way as a result of the changes to the Mod process, DS responded that this may need to be considered but in all likelihood the changes would reduce Gemserv's workload, as such this wasn't expected to be an issue.
9. The Group agreed to utilise UNC Clause 12.9.2 within the new iGT Mod process, this allows for a timetable of up to 6 months (unless otherwise agreed by the Panel) for a Workgroup to convene and deliver its Report.
10. The Group also agreed to utilise the whole UNC Clause 8 (Modification Procedures – Workgroup Assessment) for the new iGT Mod Process.
11. CB enquired how a Workgroup Report would differ to a Draft Modification Report (DMR), the group considered that the Workgroup Report may in effect become the DMR, in addition it was suggested that a Workgroup could provide suggested Legal Text as part of its output.
12. Legal Text – LC advised that principle 9 of the Code Administration CoP suggests that Legal Text should be provided prior to Consultation. This approach differs to the existing UNC and

iGT UNC Mod where the Panel can consult without Legal Text. The Group agreed that while it was best practice for Legal Text to be provided for consultation, for now the existing process should continue as is to help harmonise the UNC and iGT UNC timescales. It was noted however that Legal Text would definitely need to be provided when the Final Modification Report (FMR) was produced. *(Post Meeting Note –UNC0384 dictates Legal Text is provided before consultation, as agreement was made to harmonise the two Mod processes the DMR will be written to reflect this requirement.)*

13. An existing UNC DMR and FMR was reviewed by the Group, it was agreed that these provided more detail than the existing iGT DMR/FMR's and should be utilised by the proposed iGT UNC Mod process. LC advised that the UNC templates had been created using the Code Administrators CoP as a guide. CB added that the UNC FMR provided a more balanced summary of comments received, currently the iGT FMR doesn't allow for Shipper comments to be recorded, only Transporters comments. It was therefore agreed that the Clause 9.4 of the UNC (Content of Modification Report) should be replicated under the proposed iGT process.
14. It was agreed that existing Clause 18.6 of the iGT UNC Mod rules covering the timescales for implementation (no more than 5 releases from Authority direction to implement) should be retained in the new proposed process, however for clarity this shall be referenced to System changes rather than Process changes.
15. Existing Clause 15.5 of the iGT UNC Mod rules was discussed. This clause details the options available to the Panel when presented with a Modification Proposal. The following changes were agreed:
  - a. Clause 15.5 (d) should be re-worded to say 'Subject to Clause 11.3 be deferred to a subsequent meeting of the iGT UNC Modification panel for further discussion.'
  - b. Clause 15.5 (e) refers to a Proposal being referred back to a Proposer for further development, CB suggested that when this occurs (usually as a result of the intention of the Mod not being made clear) a recommendation from the Panel accompanies it suggesting that the Proposer puts it forward for Review.
  - c. Should the change to 15.5 (e) be made then 15.5 (a) would become obsolete and could be deleted.
16. LC highlighted to the group a couple of associated Modification Process changes being suggested under other Codes which it may be beneficial to review as part of this exercise:
  - a. The DCUSA Mod process allows for a Consultation process to take place at any time, i.e. for a complex Mod it might be beneficial for a Consultation to take place during the Workgroup stage prior to the DMR being submitted to the Panel. The DCUSA Panel recently consulted on the concept of returning the DMR to the Workgroup if it was felt more analysis was needed. The Group agreed with the concept of a Consultation being initiated by the Panel at any time.
  - b. UNC mod 0384 was raised in May 11 which suggests improvements to the UNC Modification process, in particular the draft Legal Text may be of assistance. CB and TC will review accordingly.

## **Next Steps**

TC took an action to update the iGT046 Modification Proposal to create a Draft Modification Report reflecting the output from the Workshop, included in this will be a flow diagram of the proposed process. In addition TC shall provide proposed amendments to the Modification Proposal Best Practice Guidelines as detailed above.