

**Attendees:**

Adam Pearce (AP) – ESP  
Andrew Margan (AM) – British Gas  
Bryan Hale (BH) – EDF Energy  
Gethyn Howard (GH) – GTC  
Kiran Samra (KS) – Npower  
Maria Hesketh (MH) – Scottish Power\*  
Rory Edwards (RH) – Ofgem\*  
Trevor Clark (TC) – E.ON  
Trevor Peacock (TP) – Fulcrum\*  
Katherina Tree (KT) – ESP  
Kristian Pilling (KP) – SSE Chair  
\*via teleconference

Note – Gemserv were not present at any stage of this meeting.

**1) Igt062:** KP gave an overview of igt062. Specific mention was made to,

a) KP identified the two strands of the modifications, secretariat services and the chairmanship. KP advised all codes have independent secretariat services but there are an array of (independent/ non-independent) options in terms of chairmanship. Example given that the MRA the Issues Resolution Expert Group is chaired independently, as are Work Groups under the BSC. Other codes, such as SPAA and DCUSA do not have an independent chair.

b) Full costs to be borne by IGTs on account of GT Licence Condition 9, which in KPs interpretation laid the requirement for operating and funding administration of the code by the Transporter parties.

c) KP suggested the Cost Recovery Mechanism could be removed. KP noted that ultimately there may already be a cost recovery mechanism in place with the current code administrator, in which case this wouldn't be required. Furthermore, the contractual arrangements between the IGTs and the Code Administrator are not, according to KP, the concern of the Shipper community.

**2) Igt062A:** AP gave an overview of igt062A. Specific mention was made to,

a) AP advised the benefits of an independent secretariat services and chairmanship are there to be realised, however we should be careful not to implement a solution on the basis that it suits other codes – the arrangements should primarily suit the IGT UNC.

b) It was noted that the introduction of a development lead was added. Where an ad hoc or sub-group is needed, like for example the PSR meeting under IGTUNC039, may not need independent secretariat and chairmanship.

c) A monthly workstream of 12 meetings would cover each of the modifications, which is efficient in terms of industry parties' time and travel expenses.

d) AP stressed the importance of addressing the development of these modifications in a pragmatic way, for example – for the group to attempt to reach an agreement on one or two modifications, rather than 3 or more.

**3) Igt062AA:** GH provided an overview of Igt062AA. Specific mention was made to,

a) GH confirmed the primary difference between IGTA and IGTA is the funding of the arrangements would be split between the Shipper and IGT community. GH confirmed that many of the modification are raised for Shippers for the benefit of Shippers.

AP noted that IGTs could not reclaim the costs of implementing modifications in the way that Shippers could do.

#### **Agreement of Terms of Reference**

Agreed by group.

#### **Potential additional alternate**

TC mentioned EON had considered raising an alternate, but would not currently pursue this. The potential alternate would encompass the Code Administrator role more broadly and would allow Shippers and IGTs to fund the Code Administrator. It was recognised by TC that the contractual arrangements could be difficult (and time consuming) and so whilst this concept may be pursued in future it was not the intention to raise this presently.

#### **Definition of an independent chair**

AM questioned the definition of an independent chair, citing recent consultations on the chairmanship of the UNC Distribution Workstream. Furthermore, AM noted EUK were understood to be proponents of independence being defined as someone outside of the industry. KP confirmed independence, for the purposes of IGT062 development, was a party that is not a Shipper or an IGT. A fully independent person, i.e. someone outside of the gas industry, was not suggested.

The group agreed that KP's definition of 'Independent' was appropriate for the iGT-UNC and that the business rules/legal text should reflect this.



### **Transfer of current Work Groups to new arrangements**

TC noted that it may be difficult to transfer current WGs and it may be disruptive, Igt039 was cited as an example. AP questioned this. TC confirmed that if there was consensus to transfer current WGs into new arrangements then he would support.

The group agreed that it would be the decision of the iGT-UNC panel as to which Development Groups, both existing and new, were referred to a potential Modification Workstream.

### **Development lead**

The development lead is introduced by IGT062A and IGT062AA. TC noted that because the development lead is expected to chair, provide meeting rooms, refreshment and secretariat services, it may act as a disincentive for raising a modification. This in turn could be viewed as anti-competitive because smaller parties would have less of an opportunity to engage with the market. AP noted the raiser of the modification did not need to be the development lead, though later advised the use of a development lead may not necessarily be needed, should the use of Subgroups be taken forward.

### **The use of subgroups**

AM advised the Modification WG would be in a position to agree that a subgroup could be set up to look at a specialised issue. AM noted that full secretariat services and chairmanship may not be required because the subgroup would be asked to deliver a particular output in required to progress a Modification (i.e. the carrying out of analysis, production of business rules). The group agreed with AM's view - that Subgroups would not require independent chairmanship or secretariat services.

AP, GH, TC and KS all confirmed they suggested subgroups can sometimes be useful. AP confirmed that under DCUSA, the parties that are present at a subgroup are required to confirm their independence and check off a statement on competition law. KP confirmed that rigour around this process would be needed to assure the Modification WG that the right solution was found, in a fair and governed manner.

### **Scheduling of Meetings**

There was general support for holding a distribution workstream as it would be an efficient use of time and resource.

AM suggested that an agenda could be circulated ahead of a meeting, if the Code

Administrator noted that not many parties were attending or parties felt there was not enough on the agenda to justify the meeting, it could be deferred. This would provide an efficiency gain. AM later asked how moving of meeting dates would be governed.

MH noted that reasonable notice needs to be given where meetings can be deferred or cancelled, on account of travel needing to be booked. Parties recognised this view and it was suggested that an agenda could be released around 12 working days ahead of a meeting, with the latest opportunity to cancel being, for example, at 8 working days ahead of the meeting.

### **Urgent Modifications**

The use of fixed Modification workstreams could negatively impact the ability for parties to raise urgent modifications.

The group agreed that where the timescales of an urgent modification (as approved by Ofgem) did not align with the forthcoming Modification Workstream, there would be a provision in Code that would allow for an ad hoc Modification Workstream to be held, with Independent Chair and Secretariat services being provided by the Code Administrator and funded through the same mechanism as each respective mod (i.e. iGT062/62 – by the iGTs, iGT062AA – 50/50 split between iGTs and shippers).

### **Use of Shipper WG**

Some discussion on whether these meetings could be used to also cover modifications. There was general agreement that this could be beneficial. iGTs agreed that the Standing Work Group meetings would continue to run in parallel to the proposed Modification Workstreams.

### **Longevity of the solution**

Several parties agreed that this solution may be an interim solution. It was noted that the IGTUNC is being scaled down, as a result of IGT039. The type of modifications may change as more SPA issues will be covered under the UNC. General agreement from AM that this could well be an interim solution.

### **Note on legal drafting and aspects of modification to be included in code**

AP confirmed that we want the arrangements to be able to flex according to need. AM also noted the IGT062 mentioned Central London as a meeting location and suggested that we wouldn't want this in code as a meeting in another location would leave parties in breach of code. KP agreed and stated this aspect of the modification could be removed.

### **Funding:**

KP questioned GH whether the potential for additional efficiencies to be made,

though the use of scheduled monthly distribution workstreams as opposed to limitless Modification WGs would impact IGT062AA on the point of funding. GH confirmed he would consider it, however the view was that GTC would likely maintain that a funding split would need to remain.

TC noted that under IGT062AA the contract for procuring additional services would remain between the IGT and the Code Administrator, though part of the costs would then be shared, via the IGT to the Shippers. TC was concerned that Shippers would not be at the table in agreeing the contract (and costs) in this scenario. GH confirmed the complications of a three way contract between IGT, Shippers and the Code Administrator may be difficult, as would the invoicing.

The question of whether a line could be added to the charging statement to include administration was posed. RH was asked if he could look into this.

#### **Actions**

KP to draft business rules, circulate and review at meeting #2.

#### **Diary Planning**

Next WG to take place at iGT Shipper WG.