

## Stage 01: Modification Proposal

At what stage is this document in the process?

# iGT0062:

## Independent Secretariat Services for Modification Work Groups

01	Modification Proposal
02	Workgroup Report
03	Draft Modification Report
04	Final Modification Report

The Proposer recommends that this modification should be (delete as appropriate):



- ~~Proceed to consultation~~
- Proceed to Work Group



High Impact:  
None identified



Medium Impact:  
Pipeline Operators



Low Impact:  
Pipeline Users

# Contents

- 1. Plain English Summary .....3
- 2. Rationale for Change .....4
- 3. Solution .....5
- 4. Relevant Objectives .....12
- 5. Impacts and Costs .....13
- 6. Likely Impact on Consumers .....13
- 7. Likely Impact on Environment .....13
- 8. Implementation .....13
- 9. Legal Text .....14
- 10. Recommendation .....14
- 11. Appendix A - Number of Work Group Meetings ..... 7
- 12. Appendix B - Sub Groups ..... 7

## About this document:

This modification will be presented by the proposer to the panel on 19 March 2014.

The panel will consider the proposer’s recommendation, and agree whether this modification should be subject to self-governance; and whether it should be issued for consultation or be referred to a workgroup for assessment.

### Guidance on the use of this Template:

*This is an iGT UNC Modification Proposal template that the Proposer is asked to complete. All parts other than the Solution (which is “owned” by the Proposer) will be refined by the workgroup process. A separate checklist is also available to help identify impacts that, if material, should be recorded in this template.*

*The iGT UNC Representative is available to help and support the drafting of any Modification Proposals, including guidance on completion of this template and the wider modification process. Contact [igt-unc@gemserv.co.uk](mailto:igt-unc@gemserv.co.uk) or 0207 090 1044.*


<b>Any questions?</b>
Contact: <b>Code Administrator</b>
 <a href="mailto:igt-unc@gemserv.com">igt-unc@gemserv.com</a>
 <b>0207 090 1044</b>
Proposer: <b>Kristian Pilling</b>
 <a href="mailto:kristian.pilling@sse.com">kristian.pilling@sse.com</a>
 <b>02392 277052</b>
Workgroup Chair: <b>Kristian Pilling</b>
 <a href="mailto:kristian.pilling@sse.com">kristian.pilling@sse.com</a>
 <b>02392 277052</b>
Additional contacts:



## 1. Plain English Summary

### Is this a Self-Governance Modification?

It is the Proposer's view that this is not a Self-governance Modification. This modification seeks to improve the facilitation of competition through improved governance. More broadly, the modification procedures would be impacted thus nullifying the ability to proceed via Self-governance.

### If so, will this be progressed as a Fast Track Modification?

Not applicable.

### Rationale for Change

The Proposer is seeking the administration of the iGT UNC to be aligned with other leading industry codes. In support of the Code Administrator Code of Practice (CACoP), it is suggested that better governance and improved transparency in industry developments require independence in secretariat services, including chairmanship.

### Solution

To extend the role of the Code Administrator in providing full secretariat services to all current and future Modification Work Groups.

### Relevant Objectives

The Proposer believes that the Modification will support facilitation of relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code' and d) 'Securing of effective competition' (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.'

### Implementation

It is proposed this will be implemented in three months, subject to Authority consent.

## 2. Rationale for Change

Effective industry governance frameworks allow for all parties to manage current and future change in a democratic, efficient and thorough manner. Code Administrators play an integral role in facilitating effective industry governance and their independence is a key enabler to the industry delivering change. This is recognised within the governance arrangements of the BSC, MRA, UNC, DCUSA<sup>1</sup> and to an extent SPAA<sup>2</sup>.

Under the iGT UNC, the Modification Panel and the Shipper Work Group are managed with a fully independent secretariat [and chair](#). This modification seeks to extend these same secretariat services to all current and future Modification Work Groups.

It is the Proposer's view that *overall* iGTs are less effective than Code Administrators in their management of Modification Work Groups. Whilst it is not the intention to draw out of each of the shortcomings of the current arrangements, it is suggested that an independent secretariat will deliver an improvement in the following areas, (1) minutes always being taken, released and of a sufficient standard to fairly cover the issues discussed (2) meetings are set up with the appropriate amount of notice and minimising cancelled meetings (3) effective and impartial chairmanship.

Further benefits include harmonising relations with Shippers and iGTs through being mutually assured the direction that Modification Work Groups take is fully independent. Also, through extending secretariat functions to Modification Work Groups the CACoP<sup>3</sup> would more effectively apply.

It is also suggested that iGTs will benefit through more accurately sharing the costs of resourcing Modification Work Group meetings, for example, the workload for iGT industry representatives will be financially shared as opposed to relying upon willing iGT representatives to absorb all secretariat and chairmanship duties.

---

<sup>1</sup> For information, DCUSA states in Clause 7.39, 'In no event shall the Secretariat be a Party, an Affiliate of a Party, an employee of a Party, or an employee of an Affiliate of a Party'.

<http://www.dcusa.co.uk/Public/DCUSADocuments.aspx?s=c>

Approximate equivalents to Modifications Work Groups under the BSC (e.g. Supplier Volume Group), MRA (e.g. Issue Resolution Expert Group) and UNC (Development Work Groups) all use independent secretariat services, including an independent chair.

<sup>2</sup> The arrangements under SPAA allow for the members of the Expert Group (development of modifications) to vote for their chair. The SPAA Executive Committee will appoint a person to complete other secretariat services.

<http://www.spaa.co.uk/committees-groups/detail?committeeid=180652>

<sup>3</sup> In the Introduction to CACoP, 'Code users and Code Administrators developed the Code of Practice based on the principles that Code Administrators and Code Modification processes will: (...) be administered in an impartial, objective and balanced manner.' Furthermore, it is stated on page 14 that, 'Code Administrators will facilitate impartial industry development and assessment of all Modifications.' <https://www.ofgem.gov.uk/ofgem-publications/61227/finalcop.pdf>

## 3. Solution

This solution builds on existing governance arrangements in the IGT UNC, as well as incorporating aspects of the IGT UNC Chairman's Guidelines into the code. The key elements that are required to facilitate this modification are as follows,

### Notice of Meetings

~~The Modification Workstream dates are fixed, however the Code Administrator must confirm the date to iGT UNC~~ The Modification Workstream dates are fixed, however the Code Administrator must also reconfirm the date to iGT UNC Parties 10 business days ahead of the meeting.

### Circulation of Meeting Papers

~~The Code Administrator will ensure all papers for a meeting, including the agenda, will be released at least 5 business days ahead of the meeting. Subject to Modification Workstream discussions, the Chair will be in a position to ask attendees to submit papers with more than 5 business days where it is felt the development of a modification requires it. One example of this may be where a substantial piece of legal drafting must be reviewed by all attendees and 5 business days would place unreasonable constraints on attendees' ability to fulfil their action(s).~~

For the purpose of this modification Meeting Papers includes the Draft Agenda, Final Agenda, Minutes and any Additional Papers, i.e. those papers relevant or required to enable the meeting to carry out its business. In the case of a Sub Group, one of the Additional Papers will include the Terms or Reference, please see 'Sub Group' section for further information. The Meeting Papers will be circulated to all IGT UNC parties as follows,

#### Workstream (including all Modification Work Groups)

- Draft Agenda– 10 Business Days prior to the meeting date
- Additional Papers. where possible - 10 Business Days prior to the meeting date
- Final Agenda and Additional Papers – 5 Business Day prior to the meeting date
- Minutes – 5 Business Days after the meeting date

#### Ex-Committee Work Group

- Draft Agenda, where possible– 10 Business Days prior to the meeting date
- Additional Papers. where possible - 10 Business Days prior to the meeting date
- Final Agenda and Additional Papers – 5 Business Day prior to the meeting date
- Minutes – 5 Business Days after the meeting date

The Chairman will refer to the meeting any matters proposed to be discussed after the Agenda has been issued for consideration. Such items will be placed on the Agenda as "Other Business" provided a clear consensus exists within the meeting in favour of discussion. Where such consensus is not forthcoming the item may be placed upon the Agenda for the next meeting of the group.

### Minutes

~~The Code Administrator will release minutes to the meeting within 5 business days of the meeting date. The Minutes will be published via the Code Administrator website with a separate email notification also being issued to all attendees of the Modification Workstream within this timescale.~~

Minutes will be taken for each of the Modification Work Groups by the Code Administrator. The Code Administrator will provide all attendees of the Modification Workstream the opportunity to provide comment ~~and request revisions to the Minutes 5 business days after publication~~ up to the opening of the next relevant meeting, at which points minutes will be agreed by the Modification Workstream members. Where an attendee is unable to attend the meeting at which the Minutes are agreed, the Code Administrator will read their comments when the group is agreeing the minutes. ~~If the Code Administrator deems the comments to be substantial, the comments will be considered and discussed, if necessary, at the following Modification Work~~

### Timescales

Any divergence from these timescales under subheadings Notice of Meetings, Circulation of Meeting Papers ~~and Minutes~~, should be reported to the next Panel meeting, with the reasons for doing so outlined.

### Consensus

At a meeting which cannot conduct votes (e.g. Modification Workstreams) the Chairman will normally seek to arrive at a consensus view on the matters under discussion. Consensus is defined as a general agreement and does not require that unanimity be reached. The existence of consensus will be judged by the Chairman.

Where a number of those at the meeting believe consensus has not been established the minutes will record "a failure to agree" and if an alternative means for progressing the item under discussion cannot be established the Chairman will refer the matter to the Panel and it will be dealt with as under paragraph of these Guidelines.

### Vacation of Office

If the Code Administrator cannot chair and/or provide Secretariat Services for a meeting, at short notice, all Users and Operators will receive a notification requesting a members of the Modification Workstream ~~Group becomes chair take on these two roles.~~ Their performance will be bound by these rules. If the Code Administrator cannot chair multiple meetings the iGT UNC Modification Panel will decide on how best the situation may be managed.

### The Cost Recovery Mechanism

~~The Cost Recovery Mechanism ensures each of the Operators funds the Code Administrator according to their market share of Planned and Registered Supply Points. It is anticipated that a report showing the number of Planned and Registered Supply Points will be produced by the Code Administrator. Reviewing each of the Operators market share should be done on an annual basis only. As this Cost recovery Mechanism would be in code, it would also be subject to change by any party to the code. Dependent upon the current cost recovery mechanism(s) used to enable iGTs to fund the Code Administrator for their current requirements (e.g. website, Panel and Shipper Work Group, etc) then iGTs may~~

~~be of the view the additional costs for providing Modification Work Groups may be incorporated into current the arrangements.~~

### Meeting Venue

~~The current Code Administrator holds their meetings in Central London. This is the ideal location to enable as many market participants to engage with code governance. Whilst this does impact upon the overall cost of governance it is considered to be commensurate to the benefits of market engagement. In short, it is suggested the venue for all Modification Work Groups will be provided for by the current Code Administrator.~~

### Modification Workstream

The iGTs will be responsible for procuring services to host 12 independently chaired 'Workstreams' per annum. Where possible, these will be hosted 1 month apart. The Code Administrator will provide Chairmanship and full Secretariat Services for each of these meetings. *This closely mirrors the arrangements under the UNC to hold multiple modification work groups within one meeting.*

Based upon the number of development group meetings that covered iGT UNC Modification 030 to 060, (see Appendix A) it is anticipated that 12 'Workstreams' will be sufficient to incorporate all Modifications. It is worth balancing the perceived impact(s) of more Modifications progressing via a Development group, with the view that the iGT UNC will be 'scaled back' as a result of UNC 440 and iGT UNC 039. These Modification Workstreams will have a fixed timetable, in the same manner as the iGT Shipper Workgroup does, as this enables all parties to effectively plan and make appropriate travel arrangements.

### Urgent Modifications

Where the iGT UNC Panel and Ofgem agree a Modification meets Urgent status, and requiring work group consideration, it will be helpful for there to be a mechanism that permits it to be sent to a forum that benefits from the secretariat services and chairmanship that other modifications receive. It is anticipated that very few Modifications will meet urgent status, however this should not detract from consideration of the path these Modifications may take.

This Modification confirms provisions need to be made to ensure Urgent Modifications receive the same level of service that the proposed Modification Workstreams would provide.

In the first instance, Panel will have the option to send the Urgent Modification to either the Modification Workstream or the iGT Shipper Workgroup. It is expected the Panel will send the Urgent Modification to the first group that follows Panel, depending upon parties' ability to prepare. For the avoidance of doubt, this Modification does not seek to place decision-making requirements on the Panel in these scenarios, rather it is pointing to a sensible approach. This Modification does, however, provide the Panel with a further option. Where an Urgent Modification requires work group assessment and the Panel agree it would be inappropriate to await the next scheduled iGT Shipper Work Group or Modification Workstream, the Panel will be able to set up an Ex-Committee Work Group. This does not preclude it being incorporated into the Modification Workstream at a later date. The Panel will agree the format under which the Ex-Committee Work Group takes, including the place of the meeting, i.e. via teleconference or a physical meeting. Independent secretariat services and chairmanship will be provided, and in keeping with this Modification, the cost for which shall be met by the iGT parties. As with all decisions made in respect of the iGT UNC, parties are required to consider the efficiency of proposed arrangements.

### Ex-Committee Work Group

As referenced under Urgent Modifications, the provision of Ex-Committee Meetings will enable Urgent Modifications that cannot, for reasons implied in the Modification, requires such attention that it cannot await assessment at the next Modification Workstream or iGT Shipper Work Group.

Ex-Committee Meetings may also be set up, subject to a majority iGT Modification Panel agreement being reached, in the case of a non-Urgent Modification. This is to allow for a modification, such as Igt059 (Supply Point Registration – Facilitating Faster Switching) to receive the benefits of an independent Chair and Secretariat Services. Given the great attention the retail energy industry receives, it is not unreasonable to assume that other such changes will require iGT and Shipper parties to mobilise to reach a satisfactory outcome. It is appropriate that under these circumstances the same level of Chairmanship and Secretariat Services are maintained. Whilst this mechanism must be included in this modification, it is worth noting it is not a mechanism that is expected to be employed with any degree of regularity.

### Sub Groups

There may be instances where a Modification Workstream may consider it more beneficial for a subgroup to be set up to support the work of the group. This may include, for example, completing a piece of analysis or reviewing a detailed operational procedure. If the relevant Modification Workstream agrees that a Sub Group is to be set up it must do so with a justification of why this work would be better completed by a Sub Group. For the avoidance of doubt, it will be for the Chair to seek consensus within the Modification Workstream and judge whether a Sub Group should be set up in accordance with the views of the Modification Workstream. If it is agreed that a Sub Group should be set up, it is for the Modification Workstream to agree Terms of Reference for the Sub Group (please see Appendix B 1), these will be released by the Code Administrator alongside an invitation for Igt UNC parties to participate. Once the Sub Group agrees it has met the Objective(s), as detailed in the Terms of Reference it will submit the Sub Group Report (please see Appendix B 2). The Chair of the Sub Group will be responsible for ensuring the Sub Group completes the Sub Group Report. It will be submitted to the Code Administrator and will be included as a Additional Paper for the next relevant Modification Workstream. The Modification Workstream may request the Chair of the Sub Group to attend the relevant Modification Workstream in order to present the Sub Group Report. Where the Chair of the Sub Group is not available another member of the Sub Group may attend in the absense of the Chair of the Sub Group.

It will not be necessary for a Sub Group to be independently chaired, nor will require secretariat services to be provided by the iGT UNC Secretariat.

### Sufficient Workstream Business

The Code Administrator shall be expected to consider whether there is sufficient business to hold a physical Modification Workstream, i.e. a meeting at the Code Administrators office. Where a decision is made that there is not sufficient business in this scenario, the Modification Workstream may be cancelled or moved to a telephone (or similar) conference. This supports the industry in effectively managing their resources, both travel costs and time.

This modification balances the need to accepting the advantages in allowing for flexibility in meeting arrangements, with the need to provide parties with certainty of such arrangements. Where the Code Administrator is of the view the Modification Workstream should be cancelled or moved to a teleconference, it must notify iGT UNC parties with at least [10] Business Days notice. iGT UNC parties may challenge this decision by contacting the Code Administrator with a justification for maintaining the

previous arrangements. Any response from iGT UNC Parties must be considered by the Code Administrator and where this results in a new decision by the Code Administrator it must notify parties with at least 5 Business Days notice of the new and final decision.

### **Existing Modification Work Group**

Existing Modification Work Groups should be incorporated into the Modification Workstream on the basis that holding a Modification Workstream for new modification alongside separately managed Modification Work Groups would not be efficient.

It is worth noting the Modification Work Group considering iGT039 'Use of a Single Gas Transporter Agency for the common services and systems and processes required by the iGT UNC' has been meeting regularly since 2011. It would be expected that this development group will have concluded its work by the time this modification could be implemented.

### **A Note on Legal Drafting**

All Business Rules should be placed in code in order to enshrine their importance. It is anticipated these aspects will be included in Part L 'Modification Rules' and as such would require Authority consent to be amended.

A definition for Modification Workstream (currently Work Group), Secretariat Services, Ex-Committee Work Group and Sub Group should be included for ease of reference and efficient administration of the code.

Part L, Modification Rules, Clause 4.2 confirms the iGT UNC Operators may appoint the Code Administrator as the Panel Chairman or deputy Panel Chairman. It is proposed this element will be strengthened from 'may appoint' to 'will appoint' and as a result allow for the clause to be mirrored in respect to the Shipper Work Group and ultimately, Modification Workstreams.

## Business Rules

### **Scheduling and Administration of Modification Workstreams**

1. The Code Administrator will consult with the iGT UNC Modification Panel to agree the dates of 12 Modification Workstreams. These should be scheduled with an interval of 4 to 5 weeks.
2. Meeting Papers includes the Draft Agenda, Final Agenda, Minutes and any Additional Papers, i.e. those papers relevant or required to enable the meeting to carry out its business.
3. The following schedule shall be adhered to in the case of Modification Workstreams,
  - a. Draft Agenda– 10 Business Days prior to the meeting date
  - b. Additional Papers. where possible - 10 Business Days prior to the meeting date
  - c. Final Agenda and Additional Papers – 5 Business Day prior to the meeting date
  - d. Minutes – 5 Business Days after the meeting date
4. The following schedule shall be adhered to in the case of Ex-Committee Work Groups and Sub-Groups,
  - a. Draft Agenda, where possible– 10 Business Days prior to the meeting date
  - b. Additional Papers. where possible - 10 Business Days prior to the meeting date
  - c. Final Agenda and Additional Papers – 5 Business Day prior to the meeting date

- d. Minutes – 5 Business Days after the meeting date (this does not apply to Sub Groups)
5. The iGT UNC Modification Panel will determine the Modifications that will be included on the agenda of the Modification Workstream.
6. Where a Modification Workstream must consider legal text in support of a Modification, the Code Administrator shall use reasonable endeavours to ensure it is provided to iGT UNC Parties with at least 10 Business Days notice. In any case, legal text must always be provided to IGT UNC Parties with 5 Business Days notice.
7. The Code Administrator will take minutes at Modification Work Groups and will release them within 5 Business Days of the meeting date.
8. The Modification Work Groups will always agree the minutes of the previous meeting at the start of each meeting. The Code Administrator will read any comments on the minutes from parties not in attendance.
9. The Code Administrator will report any divergence from these timescales at the next iGT UNC Modification Panel meeting.
10. The Code Administrator shall be expected to consider whether there is sufficient business to hold a physical Modification Workstream, i.e. a meeting at the Code Administrators office. Where a decision is made that there is not sufficient business in this scenario, the Modification Workstream may be cancelled or moved to a telephone (or similar) conference. Under each outcome, the Code Administrator must notify iGT UNC parties with at least [10] Business Days notice. Any response from iGT UNC Parties must be considered by the Code Administrator and where this results in a new decision being made by the Code Administrator it must notify parties with at least 5 Business Days notice of the new and final decision.

#### Chairmanship of the Modification Workstream

11. The Code Administrator will always provide chairmanship for the duration of the Modification Workstream.
12. The Chair will seek to arrive at a consensus view on the matters under discussion. Consensus is defined as a general agreement and does not require that unanimity be reached. The existence of consensus will be judged by the Chairman. Where a number of those at the meeting believe consensus has not been established the minutes will record "a failure to agree" and if an alternative means for progressing the item under discussion cannot be established the Chairman will refer the matter to the iGT UNC Modification Panel.
13. If the Code Administrator cannot chair and/or provide Secretariat Services for a meeting, at short notice, all Users and Operators will receive a notification requesting members of the Modification Workstream take on these roles. Their performance will be bound by rule 3, 4, 7, 9 and 10.
14. If the Code Administrator cannot chair multiple meetings the iGT UNC Panel will decide on how the situation may be managed.

#### Urgent Modifications

15. Where an Urgent Modification requires work group assessment, the iGT Modification Panel should, where possible, send it to the next Modification Workstream. If the iGT Shipper Work Group is scheduled to take place sooner than the Modification Workstream and there sufficient grounds to warrant bringing the assessment forward, it may be sent to the iGT Shipper Work Group for assessment. This decision will be made by the iGT UNC Modification Panel.
16. Where a majority of the iGT UNC Modification Panel agree that an Urgent Modification requires assessment ahead of the next scheduled meetings (Modification Workstream/ iGT Shipper Work Group) it may establish an Ex-Committee Work Group.

17. This Ex-Committee Work Group will follow all the rules of the Modification Workstream, except in respect of the Code Administrator being required to circulate a Draft Agenda to iGT Parties 10 Business Days ahead of the meeting date.
18. Where possible, the Ex-Committee Work Group will later be incorporated into a Modification Workstream.
19. An Ex-Committee Work Group may also be set up where the Modification is not an Urgent Modification but the iGT Modification Panel agrees the Modification Workstreams and iGT Shipper Work Group cannot deliver the required outcome.

#### **Modification Workstream – Sub Groups**

20. Where a Modification Work Group reaches the consensus view that the development of Modification would be assisted by establishment of a Sub Group, it shall have the ability to establish such a Sub Group.
21. The Modification Works Group will set the Terms of Reference, including the objective(s) of the Sub Group. The Terms of Reference will be drafted and agreed at the meeting the Modification Work Group agrees a Sub Group is required. The Code Administrator will make a blank Terms of Reference pro forma available.
22. The Code Administrator will not provide Chairmanship or Secretariat Services for the Sub Group, except insofar as Business Rule 21 requires it.
23. The Chair of the Sub Group may be any person present at the Modification Work Group. Where no person at the Modification Work Group volunteers to chair the Sub Group then it shall be deemed that a Sub Group is not required. Where more than one party wishes to chair the Sub Group it will be for the Modification Work Group to make a consensus decision.
24. The Sub Group Chair will provide the Code Administrator with the agenda and any relevant meeting papers in accordance with the timescales in rule 4.
25. The Code Administrator shall provide full assistance to the Sub Group chair in communicating meeting information to iGT-UNC Parties.

#### **Existing Modification Work Groups – Prior to XX/XX/XXXX**

26. The Panel will direct all existing Modification Work Groups to be incorporated in the Modification Workstream.

#### **Proposed Defined and Redefined Terms**

27. Modification Workstream shall find its meaning in [...]
28. Ex-Committee Work Group shall find its meaning in [...]
29. Sub Group shall find its meaning in [...]

## 4. Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The Proposer considers that this Modification would facilitate:

### Objective (f)

Objective (f) is the primary beneficiary of this modification proposal. Efficiency in the implementation of this code will be improved due to the independence of the secretariat and the adherence to CACoP. It is thought that Workgroups will progress more quickly and more thoroughly due to the facilitation and support the Code Administrator will provide.

### Objective (d)

It is also suggested that full secretariat services promote competition. New entrants to the market can more easily review minutes and engage with the Code Administrator. Furthermore, existing parties to the market will be able to more effectively engage and develop solutions in a fully independent forum.

## 5. Impacts and Costs

It is proposed that the iGTs bear the full cost of the secretariat services, and as such they will be impacted through the cost. It is the Proposer's view that the costs for administering the code will be solely undertaken by the iGT parties. Licence Condition 9 'Network Code and Uniform Network Code' is understood as requiring the Gas Transporter to establish and administer the code.~~The Code Administrator would need visibility of the number of Planned and Registered Supply Points in order to fairly claim the costs from each party, dependent on their market share. This would avoid the disproportionate impact that claiming on a 'per party' or 'per licence' basis would result in. By setting a market share Cost Recovery Mechanism in place, we are supporting smaller iGTs and mitigating the risk of deterring new market entrants on account of a high fixed sum to be paid to the Code Administrator. Furthermore, for the purposes of efficiency it may be prudent for full Code Administrator costs to follow this mechanism, i.e. Panel, Shipper Work Group and all Modification Work Groups. Ultimately, it is the Proposer's view that the exact details of the Cost Recovery Mechanism to be used to recover Code Administrator costs from iGTs is a decision to be led by the affected parties, i.e. Code Administrator and iGTs. This modification does, however, seek to ensure a model is proposed, at the least, to provide a full picture of how this modification could be fairly enacted.~~

~~For the avoidance of doubt, it is the Proposer's view that the costs for administering the code will be solely undertaken by the iGT parties. Licence Condition 9 'Network Code and Uniform Network Code' is understood as requiring the Gas Transporter to establish and administer the code.~~

## 6. Likely Impact on Consumers

None identified.

## 7. Likely Impact on Environment

None identified.

## 8. Implementation

It is proposed that secretariat services are undertaken by the Code Administrator for all current and future modification Work Groups. It is the Proposer's view that a lead time of approximately 3 months following Authority consent would permit the relevant service contracts between iGTs and the Code Administrator to be extended to include the additional secretariat services. This time should also allow for the recruitment, if required, of additional resource by the Code Administrator in meeting their new requirements.

iGT062  
Modification Proposal

04 March 2014

Version 1.0

Page 13 of 16

© 2014 all rights reserved

## 9. Legal Text

Not produced.

## 10. Recommendation

The Proposer invites the Panel to:

~~• Determine that this modification should progress to Consultation.~~

• Determine that this modification should progress to Work Group

~~In the event the Panel does not reach a majority in favour of progressing this modification through Consultation, the Proposer has made the following alternative recommendation:~~

### **Work Group for 'Independent Secretariat Services for Modification Work Groups'**

- Maximum of three meetings. The first would cover initial comments and suggestions for improving the modification or considering potential issues. The aim of meeting two would be to resolve any of the issues from meeting one, and dependent on the outcome of meeting 1 may not even be required. A final meeting is proposed to review the legal text and sign off the Work Group Report.
- A User and Operator will alternate in their responsibility of chairing and minute taking for each of the meetings.

## 11. Appendix A – Number of Work Group Meeting

Table 1 – Number of Work Group meetings held for iGT Modifications 0030 to 0060.

Modification	Raised date	No of Meetings	Comment
30	04/08/2010	-	
31	04/08/2010	0	
32	24/09/2010	0	
33	03/02/2011	0	Withdrawn (before progressed)
34	02/03/2011	0	
35	02/03/2011	1	Withdrawn
36	08/03/2011	0	Withdrawn (before progressed)
37	28/07/2011	0	
38	28/07/2011	7	
39	01/08/2011	21	Ongoing 2011 to 2014
40	03/08/2011	0	
41	09/09/2011	3	
42	09/11/2011	0	
43	07/12/2011	0	
44	07/12/2011	0	
45	01/02/2012	0	
46	01/02/2012	3	
47	??/06/2012	8	
48	??/06/2012	0	
49	27/09/2012	0	
50	18/12/2012	12	*
51	08/01/2013	0	
52	05/06/2013	1	
53	03/07/2013	5	
54	05/07/2013	5	
55	04/09/2013	0	
56	03/10/2013	5	Ongoing 2011 to 2014
57	02/12/2013	0	
58	08/01/2014	0	
59	09/01/2014	3	
60	03/02/2014	0	
<b>Total</b>	42 months	74	

\*Including Operational Metering Communications Group

Table 2

Increase in number of meetings	
% of Mods progressed through DG (2011)	40%
% of Mods progressed through DG (2012)	50%
% of Mods progressed through DG (2013)	57%

## 12. Appendix B – Sub Groups

### 1) Sub Group Terms of Reference

The use of this standard Terms of Reference pro-forma for Sub Groups will support their ability to work efficiently and effectively in aiding the assessment of modifications. The content of this pro forma must be used, however the proposer suggests the Code Administrator provides a set format. A copy of this Sub Group Terms of Reference pro forma should always be accessible via the Code Administrator

Sub Group Terms of Reference

[Title of Modification]

Date of Modification Workstream: [xx/xx/xxx]\*

\*This is the date of the Modification Workstream that agreed a Sub Group is required.

Objective(s) of Sub Group: [...]

Date for Submission of Sub Group Report: [xx/xx/xxx]

### 2) Sub Group Report

Sub Group Terms of Reference

[Title of Modification]

Number of times the Sub Group met: [x]

The Objective(s) the Sub Group: [...]\*

Objective(s) the Sub Group did not meet: [...]\*

\*Refers only to the Objectives set on the Terms of Reference

Output: (including but not limited to),

[Proposed solution, details of analysis, key issues, areas where the group could not agree and the reasons thereof.]

Persons (and their organisations) who attending some or all of the Sub Group meeting(s) [...]

Date for Submission of Sub Group Report: [xx/xx/xxx]