














UNC Modification		At what stage is this document in the process?
<h1>UNC 0XXX:</h1> <h2>Representation on DSC Committees – amendment to include mid-year appointment</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p><b>Purpose of Modification:</b></p> <p>The proposal is to enable a mid-year change to DSC Committee Representation to enable parties to take up representation of their Class Category on the DSC Committees in the event that their representation is being facilitated by another Class Representative.</p>		
	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>Should be considered a material change and not subject to self-governance</li> <li>assessed by a Workgroup</li> </ul> <p>This modification will be presented by the Proposer to the Panel on dd mmm yyyy The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>None</p>	
	<p>Low Impact:</p> <p>Shippers &amp; Gas Transporters</p>	

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<p><b>The Proposer recommends the following timetable:</b></p> <table border="1"> <tbody> <tr> <td>Initial consideration by Workgroup</td> <td>27 April 2017</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>20 July 2017</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>20 July 2017</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>10 Aug 2017</td> </tr> <tr> <td>Final Modification Report available for Panel</td> <td>17 Aug 2017</td> </tr> <tr> <td>Modification Panel decision</td> <td>17 Aug 2017</td> </tr> </tbody> </table>		Initial consideration by Workgroup	27 April 2017	Workgroup Report presented to Panel	20 July 2017	Draft Modification Report issued for consultation	20 July 2017	Consultation Close-out for representations	10 Aug 2017	Final Modification Report available for Panel	17 Aug 2017	Modification Panel decision	17 Aug 2017
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<p><b>Any questions?</b></p> <p>Contact: <b>Joint Office of Gas Transporters</b></p> <p> <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a></p> <p> 0121 288 2107</p> <p>Proposer: <b>Colette Baldwin</b></p> <p> <a href="mailto:Colette.baldwin@eonenergy.com">Colette.baldwin@eonenergy.com</a></p> <p> 02476 181382</p> <p>Transporter: <b>Insert name</b></p> <p> email address</p> <p> telephone</p> <p>Systems Provider: <b>Xoserve</b></p> <p> <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a></p> <p>Other: <b>Insert name</b></p> <p> email address</p> <p> telephone</p>													

## 1 Summary

### What

When drafting the initial DSC Committee representations, consideration was given to how to manage under representation in any Class of Representative. The modification enabled voting to be redistributed to other classes whilst maintaining a balanced representation.

The Voting process envisaged a once per year event that parties could be elected on to DSC Committees, however no consideration was given during the development of the proposal to a representative coming forward mid-year and wishing to represent their class from their own constituency members.

### Why

The governance model is constituency based and it would be beneficial if all classes of parties were able to be represented by members of their own constituency – this would ensure that the views of those parties were fully reflected in the decisions of those committees. The current model doesn't facilitate a class of party wishing to be more engaged in the DSC management.

### How

The proposal sets out a transparent process to enable a Class Representative to take up the representation on the DSC Committees whilst at the same time establishing the retirement of the additional representation from outside their class.

## 2 Governance

### Justification for Authority Direction

The modification should be subject to a decision by the Authority rather than self-governance as the proposal affects the governance of the changes processes for the DSC and therefore materially impacts classes of parties.

### Requested Next Steps

This modification should:

- be considered a material change and not subject to self-governance
- be assessed by a Workgroup

## 3 Why Change?

*This section sets out the defect in Code, which may be an error, an omission or something the Proposer wishes to change. The context for the proposal must be clearly set out and should explain:*

1. *What the driver is and which parties are impacted;*

2. *Why this is a Code matter (in the case of new additions); and*
3. *What the effects are should the change not be made.*

Section D of the UNC includes Annex D-2 which sets out how voting on DSC Committees is established and how parties are represented. The Code introduces the concept of elected representatives for the DSC Committees and how and when those elections should be conducted. The rules also set out how, where there are insufficient parties coming forward for a Class of Representative, voting can be maintained in a balanced manner. The rules however do not envisage a party who wishes to take on the responsibility of representing their class of party taking on that role between elections.

## 4 Code Specific Matters

The code needs to establish rules to allow representation to be transferred to a representative of an under-represented class and for retirement of the substitute representative. The rules should set out when this may occur, and what steps should be taken to give effect to the change of representative.

## 5 Solution

### **Within-Year Change of DSC Class Representative**

#### **Who can instigate a change of Representative?**

A class of party whose whole class of votes were transferred to another Class during the election process.

#### **When can a Within Year change be introduced to the DSC Committees?**

There must be three full calendar months before the start of the next annual election cycle begins, because the Joint Office expects to conduct an annual election process for all code committees, and adhoc elections should only be considered in exceptional circumstances.

#### **What process should be followed?**

A party whose representation has been transferred to another class should make a request to the Joint Office to invoke a change of representation. The request must be accompanied by a proposer and a seconder.

The Joint Office should notify the Single Point of Contacts for the affected Class (based on the currently confirmed Class for the DSC committees) of the request received to allow a party from their class to assume the role of representative. The Joint Office should also notify the affected substitute representative of the request to substitute representation.

The notification to the SPOCs of the affected Class should set out the details of the proposed representative and allow a period of time for consideration/consultation – a minimum of 15 calendar days should be allowed. Additionally, the notification should invite the represented class to consider whether they wish to put forward additional/competing candidates, which if there are more than two representatives identified through this process then an election must be conducted by the Joint Office, if there are two or less nominees identified at the end of this period, then the Joint Office will notify the candidate representatives that they have been appointed.

The substitute representative will be notified at the end of the 15 day period of whether an election is to be held. If no election is required the representative will retire immediately (as will any nominated

standing alternate), if an election is required the substitute representative (or their standing alternate) will remain in place until the election is complete, and will then retire.

Colette – you've specified that min.15 days are allowed for consideration of the proposed representation, but are silent on the duration of any election. The existing User Reps process says a maximum of 15 business days in all phases. Do you want to align with this, or just refer to it, or even make it at the discretion of the Designated Person (to provide the flexibility to run shorter processes where it suits parties)?

## 6 Impacts & Other Considerations

**Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

None

### Consumer Impacts

None

### Cross Code Impacts

None

### EU Code Impacts

None

### Central Systems Impacts

None – this is a governance issue.

## 7 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 <ul style="list-style-type: none"> <li>(i) the combined pipe-line system, and/ or</li> <li>(ii) the pipe-line system of one or more other relevant gas transporters.</li> </ul>	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: <ul style="list-style-type: none"> <li>(i) between relevant shippers;</li> <li>(ii) between relevant suppliers; and/or</li> <li>(iii) between DN operators (who have entered into transportation</li> </ul>	Positive

arrangements with other relevant gas transporters) and relevant shippers.	
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 change furthers relevant object f) Promotion of efficiency in the implementation and administration of the Code. The change improves the governance of the DSC Committees by introducing new rules to enable the fullest participation in the DSC Committees by permitting a change of representative between elections. The documented process for a change of representative for within-year Class substitute Representatives improves the governance arrangement by adding clarity and assurance that parties can step into their roles outside the election process, if necessary and appropriate.

## 8 Implementation

No specific implementation date is specified. The change should be implemented as soon as possible, so that in the event that a party who hasn't got a representative of their constituency in a Class of Representatives can take up a role at the earliest opportunity.

## 9 Legal Text

### Text

To be provided by the Transporters

## 10 Recommendations

Panel is asked to:

- Agree that Authority Direction should apply
- Refer this proposal to a Workgroup for assessment.

