

Collated responses

RFI details

RFI reference	RG004
RFI title	Review of IGT Governance and administration arrangements
Number of responses received	11

Summary of responses

Question 1

The proposer of RG004 has outlined the following problem areas within the current IGT UNC governance:

- Much of IGT UNC work is administrative;
- Engagement and attendance has declined since Project Nexus Implementation; and
- Shipper positions on the Panel are not being filled.

For each of these, do you agree these are a problem? Where you answer yes please indicate if you believe reform is required and any urgency/timeline required for any reform.

Respondents to this question noted the following:

Much of IGT UNC work is administrative

Many Parties believe that the current IGT UNC work is more administrative than prior to Nexus implementation and agreed with the proposer that there is a need for change. Some note that it is difficult for them to allocate resource to the Code due to the size of their organisation.

However, some felt that all Codes require administrative work and the proportion seen in the attached appendices do not highlight a cause for concern.

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Engagement and attendance has declined since Project Nexus Implementation

Most respondents noted that they did not see that there had been a significant drop in Workgroup attendance and saw no evidence that engagement had declined since Project Nexus. It was noted that across the industry attendance ebbs and flows from change to change.

Shipper positions on the Panel are not being filled.

All parties were concerned about the current Shipper vacancies and the appetite for the Shipper Community to fill these.

For a collated summary of responses for question 1, please click to see full answers [below](#)

Question 2

The Review proposer and the review group have discussed a number of suggested solutions, these being:

1. To amalgamate all common areas of the IGT UNC and the UNC into the UNC and to make all those areas that are not common to both Codes an Ancillary Document to the UNC
2. To create a common UNC and IGT UNC modification process so that when a modification is raised under the UNC it considers the IGT UNC, and requires any changes to the IGT UNC legal text to be produced simultaneously
3. To amend the IGT UNC to reference the UNC at a much higher 'section type' level rather than at the clause level
4. To put the IGT UNC (and its Ancillary documents) in their entirety into the UNC as a separate section, akin to the IGTAD
5. Allowing the Code Administrator to raise non-material modification proposals on behalf of industry in order to cut down on duplicated resource, and reduction in the frequency of modification workstream meetings.
6. 'Do nothing approach'

Please provide your view on each solution including where possible the anticipated costs / benefits for each solution?

Respondents to this question noted the following:

Option 1 – Amalgamate all common areas

Whilst many parties saw the benefit of total amalgamation of the two Codes, most thought either it was not the right time for industry as a whole with the imminent introduction of the Retail Energy Code (REC), or that this option was not warranted as the evidence provided did not show a drastic need for change this large.

Option 2 – Common Modification process

Most parties saw merit in this solution, however highlighted that the nuances of the Codes and the occasions where differing solutions were needed could bring with it complexities. This would also still require a Code Administrator and would not address the issues of engagement as outlined in the problem statement.

Option 3 – Amend IGT UNC to reference UNC at the high level

Most parties noted the IGT opinion that this option would not be viable and saw issues with the principals of this.

Option 4 – Put IGT UNC as an ancillary document into the UNC

Generally, this option was not supported by parties for the pitfalls highlighted in option 1. One party also commented that the IGTs would have to give up voting rights on their own Code under this option. However, a couple of respondents noted that the full amalgamation of the Codes were their preferred options.

Option 5 – Code Administrator to raise all non-material changes

Generally, most parties were happy that this option would address the issue of duplication for non-material changes to the Code. However, one party noted that it would be inappropriate for a non-licensed party to raise changes to Code. One party also highlighted that the current process would still be applicable to material changes, and the same party noted that material change is the largest being carried out across the industry at the moment.

Option 6 – Do nothing

Most parties were not in favour of the option as they saw a need for change in some form. Two parties felt this was the most viable option at the moment due to the timings of other industry change, and additionally, because one party did not see a need for the current arrangements to change.

For a collated summary of responses for question 2, please click to see full answers [below](#)

Cost/Benefit analysis

No respondents provided any high-level cost/benefit analysis within their responses although a number commented that a lot more work needed to be done on these areas before any major work was commenced as the evidence provided did not appear to warrant major reform. Similarly, a number commented that Options 1 and 4 in particular would be very large and complex pieces of work.

Question 3

Does your organisation have a preferred option? Please advise which and any rationale for this.

Respondents to this question noted the following:

- Option 1 – two votes
- Option 2 – two votes
- Option 3 - none
- Option 4 – one vote
- Option 5 – one vote
- Option 6 – two votes

One party proposed that a 7th option is tabled. This option would be to set up a cross-code working group to review the modification process of both the IGT UNC and the UNC, to see where there are failings and where improvements can be made in the process. There may be issues with the current modification processes and, without understanding what these issues are, we are unable to reliably determine the correct course of action.

One party put forward an eighth option to focus specifically on engaging with new and smaller shippers to try to fill the Shipper vacancy.

For a collated summary of responses for question 3, please click to see full answers [below](#)

Question 4

Do you believe there are any key areas of concern that the Review Group has not identified? Or do you have any other solutions that you would like the Review Group to consider?

For a collated summary of responses for question 4, please click to see full answers [below](#)

Question 5

Any other comments or questions?

For a collated summary of responses for question 5, please click to see full answers [below](#)

Responses

Question 1

Organisation - Anonymous responder	<ol style="list-style-type: none"> 1) We agree that since the developing Single Service Provision there appears to be an increase in alignment modifications to ensure things are in keeping with the UNC text. Some issues require solutions to have slight differences so cannot be identical to the UNC but the principle of the changes are in fact identical. It is difficult to know what changes are needed but ideally one modification which resolves the issue would be our preference, to discuss developments in multiple arenas doesn't feel constructive but it is how the governance is currently structured. We would prefer to have an effective governance and solution development process which has minimal development requirements and minimal costs. We think there may be an opportunity for the CACoP to be utilised more or for there to be shared leadership with the Code Administrators (although unsure how this would work in detail). The main issue we see with this is the IGT UNC is at the mercy of the legal text provision from the UNC (as a lot of the IGT UNC now points to the UNC) and when the UNC drafting is pulled together there isn't engagement with the IGT UNC, we believe the process would benefit from earlier legal text drafting and allowing the IGT UNC to provide a response on the codes behalf. If there is an impact the Secretariat can raise a change for review but follow maybe a bespoke fast track style to deliver the changes. 2) Attendance appears to increase when there is a subject of interest, this workgroup for example has seen more participation than other review groups or modifications in recent months. Our view is that parties are participating where there is something of interest rather than consistently attending month on month. Engagement from parties is different from change to change and even other groups have seen participation go up and down, there is nothing to stop this nor do we have a solution on how to promote participation. We do believe the amalgamation of groups and discussions to minimise the number of meetings could have a positive impact for those with minimal resource to cover multiple subjects/codes. 3) We agree this is accurate because there is currently only two Shippers representing rather than the 3 allowed Parties have to prioritise their participation and with a 2-year term it is a longer-term commitment when the energy landscape is forever changing. We do not have a solution to this as it is based on bandwidth and volunteers to the post. Other panels/boards have spare slots so it is not a new issue, the thing we are more interested in are the ramifications if a) another Shipper was to drop from the panel or b) no Shippers were to be on the panel.
Organisation – First Utility	<p>We agree with the areas identified by the proposer and the review group. We find it very challenging as a smaller supplier to allocate reasonable resource to monitoring changes in the IGT UNC especially when the majority are seen as administrative changes which have been developed and implemented in the UNC.</p>
Organisation – ESP	<p>ESP Utilities Group ("ESP") agrees that many of the modifications that pass through the IGT UNC modification process are repeat exercises of the process that has already taken place under the UNC. We note that this is a problem that largely affects shipper participants of the IGT UNC and UNC change processes; IGTs are not (if at all) impacted to the same extent. A reform could have a positive effect to reduce the administrative burden on shipper participants, but we strongly advise that any steps taken are carefully considered and proportionate to the underlying problem.</p> <p>On engagement and attendance, ESP is not convinced that low attendance is an indicator of a problem with governance arrangements or the modification process. Moreover, it could be considered a sign that the code runs smoothly. In our opinion the data in Appendix B is indicative that the attendance is</p>

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	<p>typical amongst many codes as it both waxes and wanes over time, with attendance peaking whenever an issue of importance arises. We have not been presented with conclusive evidence that there has been a permanent drop in interest in the IGT UNC. Furthermore, engagement can be achieved to a lesser degree without attending meetings.</p> <p>On shipper panel vacancies (and potential lack of quoracy), ESP's analysis shows that the foremost impact is a lengthening of timescales to implement a modification. This would only present an issue in the case of urgent modifications, which under the IGT UNC are not commonplace. ESP is disappointed by the lack of willingness within the shipper community to fill the current vacancy, especially as there is provision to delegate a vote to an alternate under the IGT UNC. Furthermore, the time commitment is in comparison to other frameworks, low.</p> <p>With regard to the question of urgency, ESP does not see that there is a requirement for a pressing change. In consideration of the complexity of the issue, ESP would prefer that a carefully considered change proposal be developed to avoid implementation of an inappropriate solution that has the potential to create new problems.</p>
Organisation – SSE	<p>As the proposer of RG004 we continue to believe that much IGT work is administrative. Since the raising of IGT 004, further UNC modifications have been raised which will require further IGT modifications to change references or to mirror the UNC changes, i.e., they are mainly administrative IGT UNC modifications.</p> <p>We do feel that engagement and attendance has declined since Project Nexus implementation and that it is likely to decline further in the future as a number of modifications post Nexus were genuine IGT modifications addressing cutover matters, but since Nexus implementation as we go forward under single service provision there is likely to be less attendance as the administrative work becomes even more prevalent. Furthermore, following Nexus and the implementation of single service provision most IGT specific modifications have a low commercial impact on shippers which is a further factor leading to a decline in workgroup attendance.</p> <p>There have been, for a number of months, only two shipper representatives on the Panel, and the Panel may soon be down to one shipper representative. If this situation does materialise then the meetings will no longer be quorate, and whilst there is a slightly strange way around this within the IGT UNC, it will result in voting and, potentially, decisions being made with only one shipper representative. It will be interesting to see the result of the current vote.</p>
Organisation - Anonymous responder	<p>As a consequence of Project Nexus and the SSP it seems that there are more consequential administrative changes that are required for the IGT. The bulk of processes are now covered by the UNC and therefore it is of no surprise that IGT meeting attendance has declined and there is now a vacant shipper position on the panel and may not get filled. Reform is required in these areas to avoid further industry disengagement. There is clearly still a need to ensure that IGT-related arrangements can be effectively reviewed and managed in the light of industry developments and therefore it is vital that the IGT code is reformed to allow for further industry developments.</p> <p>Given that the industry has a lot of change on the horizon, the ideal solution would be one that didn't take too much time and effort for the industry to bring about but introduced more streamlined and robust arrangements.</p>
Organisation - Cadent	<p>1. Our experience is that most industry codes require significant administrative input which is largely concerned with governance. However, we find it difficult to validate this claim given that, while there has recently been a number of 'consequential' IGT UNC Modifications, this does not necessarily mean that this trend would continue (given our comments below on differences between the treatment of IGT Supply Points) and it is reasonable to assume that there will remain a requirement for individual IGT UNC Modifications to be developed and assessed.</p>

	<p>2. Cadent does not attend IGT UNC Workgroups. However, the claim that engagement and attendance has declined seems unproven by the evidence presented in the Review and we note from Appendix B that Workgroup attendance appears to remain relatively healthy. While the advent of Project Nexus and Xoserve FGO has changed the contractual landscape for IGTs, we believe that there remain significant differences in the treatment of IGT Supply Points to that of UNC Supply Points which require attention by industry parties.</p> <p>3. Our observation is that it is a matter for Shipper Users to ensure they fulfil their obligations concerning IGT UNC governance and ensure that Panel membership requirements are met. It is unclear to us why individual IGT UNC Modification Panel seats are not being adequately filled by Shipper Users particularly given that there does not seem to have been a reduction in the extent of engagement by parties in IGT UNC Workgroups?</p>
Organisation – British Gas	<p>We agree that much of the IGT UNC work is administrative. We agree that Shipper positions on the Panel are at risk of not being filled. Reform is preferable, but in the event that no clear way forward can be agreed, the status quo is tolerable.</p> <p>We do not believe that engagement and attendance has declined in a meaningful way since Project Nexus implementation. The data suggests there is an ebb and flow to attendee numbers, but that this is not risking constituency under representation, and is similar to what is seen in other codes.</p>
Organisation – Indigo Pipelines	<p>We are concerned that Shipper positions on the panel are not being filled but we do not feel that this is due to IGT work becoming more ‘administrative’.</p>
Organisation – SGN	<p>SGN is not a party to the IGT UNC and as such is unable to draw upon direct experience when commenting upon the above suggested issues. However, based on the information provided in the RFI it is our view that, with the exception of the third statement, there is insufficient evidence to suggest that the above are issues requiring immediate remedy. Further information on this view can be found below, addressing each statement directly:</p> <p><u>“Much of the IGT UNC work is administrative”</u></p> <p>The data shown in Appendix C appears to indicate a reduction in IGT-driven modifications in 2018. It is not clear to which point in the year this data applies, and there is the possibility that the remainder of the year could see an upturn in modifications, however when compared to previous years the proportionate rate of proposals thus far does appear muted.</p> <p>However, at this stage it is difficult to draw any firm conclusions given that:</p> <ul style="list-style-type: none"> a) The IGT UNC has only been relatively recently established; and b) The implementation of Project Nexus in 2017 may naturally have led to a ‘settling in’ period, during which the appetite and resources to raise modifications may be focussed elsewhere. <p>Furthermore, we note that four categories of modifications have been identified for the purposes of the analysis within Appendix C:</p>

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- 1) IGT UNC specific
- 2) SSP/CDSP changes
- 3) UNC/Code Alignment changes
- 4) Ofgem/Significant Code Review changes

Categories 1, 2 and 4 are requirements driven by virtue of the IGT UNC, with category 3 being more administrative. The comparison of total proposals over the 2015-2018 period can therefore be summarised as 32/42 (76%), with only 10/42 (23%) being administrative. This does not indicate the problem statement to be accurate.

“Engagement and attendance has declined since Project Nexus Implementation”

Based on the table in Appendix B, the average attendance at IGT workgroups was as follows:

Total period: June 2016 – May 2018: 8.4

Pre-Nexus: June 2016 – May 2017: 9.3

Post-Nexus: June 2017 – May 2018: 7.5

Whilst the above indicates a slight reduction in average attendance since June 2017, the decline is not significant. Attendance from both the Shipper and IGT communities fluctuate month-on-month, however on average the engagement levels appear consistent, with 2-5 organisations from each constituency typically being present.

As such we do not think there is any evidence that attendance and engagement has significantly declined since Project Nexus Implementation.

“Shipper positions on the Panel are not being filled”

We agree that a threat to quoracy arrangements is a potential issue.

	<p>As above, Appendix B indicates a good level of Shipper attendance at Panel meetings. We would therefore suggest that stakeholder feedback be sought in order to identify the potential reasons why Shipper organisations may be unable or unwilling to field a Panel representative despite attending the meetings. This will create the opportunity to identify any barriers to Panel engagement, such as resources / competing priorities.</p> <p>This should be undertaken as soon as possible in order to minimise the impact of any loss of quoracy in the interim.</p>
Organisation – BUUK	<p><u>Much of IGT UNC work is administrative</u></p> <p>BUUK have reviewed the evidence provided in Appendix C (Modification Analysis) and it is based on this evidence that we give our response. In itself, we do not see much of the IGT UNC work being administrative as an issue. This is a natural aspect of the code but, in our view, does not indicate a failing within or of it.</p> <p>Looking at the modification statistics categorised by type, there has been a total of 42 modifications since 2015. Exactly half of these were IGT-specific with only 10 of these being 'administrative' changes in that they are aligning the IGT UNC with the UNC. The trend year on year also shows that at least half of the yearly volume of modifications are derived from IGT specific modifications. It is not until you view the first six months of 2018 where this trend seems to be less apparent. From these statistics, BUUK make the following points and comments:</p> <ul style="list-style-type: none"> • Project Nexus was fully implemented as of June 2017 and completely changed how IGTs carried out many of their core processes, working with new system providers in the form of the CDSP, whilst also essentially aligning many IGT and GT processes. Several points can be made from this: <ol style="list-style-type: none"> 1. IGTs could be seen as 'bedding down' after such a major change, working to adjust their business models and processes internally to work towards a business-as-usual state. In doing so the focus has been less so on influencing new code arrangements, but on ensuring that we are currently compliant with the post Nexus arrangements. It may be the case that, once all IGTs have reached this steady state of operations, we have the resource and desire to raise further IGT-specific modifications, if relevant to do so. 2. As many of the processes have become more closely aligned between IGTs and GTs, more house keeping changes are naturally going to fall out from this. In addition, the creation of the Data Service Contract (DSC) with the CDSP in which IGTs, GTs and Shippers are all party to mean that changes are more likely to take place in this arena whereby once they would have been included in the IGT UNC and UNC respectively.

3. The fact that there has only been 1 IGT-specific modification raised in the first 6 months of 2018 doesn't necessarily mean that IGTs and Shippers are becoming disengaged with the IGT UNC. Change is often viewed as being a good thing, but a lack of change can equally be viewed as a positive. The code could be going through a stage of stabilisation whereby IGTs and Shippers alike see no reason for continued, high volumes of change and are happy with the current state, especially given the recent impacts of Project Nexus.

BUUK conclude that 6 months' worth of modification data is insufficient to draw out firm and meaningful arguments that the perceived problem that much of the IGT UNC work is administrative is indeed a failing. However, BUUK believe that there could be valid reasons for this dip in IGT-specific modifications, as described above, and don't agree that it necessarily has a negative impact upon governance.

Engagement and attendance has declined since Project Nexus Implementation

BUUK have reviewed the attendance figures provided in Appendix B and provide our response based on the data and experiences from IGT UNC Workgroup meetings. To aid in our response we have broken attendance out in to Pre and Post Nexus, see tables below.

Month	Pre Nexus Attendance
Jun-16	9
Jul-16	10
Aug-16	9
Sep-16	8
Nov-16	13
Dec-16	12
Feb-17	6
Mar-17	8
Apr-17	9
May-17	7
Total	91
Average	9

**Excludes January 16 JWG and October 16 Panel

Month	Post Nexus Attendance
Jun-17	9
Aug-17	6
Sep-17	9
Oct-17	9
Nov-17	9
Dec-17	6
Jan-18	5
Feb-18	6
Mar-18	6
Apr-18	10
May-18	12
Total	87
Average	8

**Excludes July 17 JWG

Average attendance in the 10 months leading up to Project Nexus was 9, peaking in November (13) and December (12). The agenda at these meetings included RG001 (FGO review implications for the IGT UNC) and RG002 (Code governance review 3), both key preparatory pieces of work needed to be done ahead of Nexus the following June. The next meeting in February shows a sharp decline in attendance, where both RG001 and RG002 were not on

the agenda. The point to be made here is that attendance is never consistent from workstream to workstream and is entirely reliant and affected by external, industry influences and change.

Looking at attendance either side of the November and December 2016 workstreams; before (June – September) and afterwards (Feb 17 – May 17), the average attendance is 8. Compare this against the attendance figures Post Nexus, whereby attendance has been consistent, up until April and May-18 when RG004 review group has been on the agenda. The average attendance excluding April and May-18 works out at 7.2. This evidence suggests that a normal range for attendance lies between 7 to 9. Attendance has only been below this for 5 of the 12 months post Nexus. As stated previously, attendance within the IGT UNC workstream is driven by industry change and influences, there will always, naturally, be periods of low activity and these should always be expected, no matter what the code or governance arena.

Equally, since Nexus the industry has also seen the progression of another large industry project, Ofgem's Faster Switching Programme. The lower than average attendance could also be attributed to resources being diverted away from the IGT UNC workstream to other Faster Switching related forums that were taking place during this period e.g. Regulation Design User Group, Design Forum, JMDG, UNC 0630.

Although not directly attributable to attendance in IGT UNC workstream, the vacant Shipper Panel Member position since March 2018 could be seen as a consequence for low attendance at some workstreams. There appears to be a difficulty in filling the Shipper Panel seat which could, ultimately, result in the inability in ensuring a fully represented and well attended workstream, and we would hope that, through the upcoming Panel member nomination process, Shippers will see the benefit of their involvement at Panel and workgroup.

Overall it is evident that since the start of 2018 there has been a slight dip in attendance at IGT UNC workstream, but at this stage it is difficult to determine that there has been a long-term, significant drop in attendance to suggest that this has become an issue for the code. Moreover, from the evidence it is clear that attendance is affected by the level of change underway at a given time.

Shipper positions at Panel are not being filled

Whilst it is clearly evident that one Shipper position at Panel has remained vacant for a number of months, we understand that this is as a result of Shipper resource restrictions and is not an indication of a failing code. We would be disappointed to think that lack of Shipper Panel representation is an attempt to influence a change in IGT UNC governance arrangements and would, therefore, like to understand whether a lack of representation at UNC forums would immediately trigger a UNC governance review. As above, we would hope that the upcoming Panel member nomination process will address this lack of Shipper Panel member situation. Furthermore, we would argue that the potential disengagement of some parties should not alone be cause for a total

change of governance framework. Not only would this be an over-reaction but there would be a danger that parties also disengage with the UNC, which could similarly cause a significant risk to current Shipper-GT arrangements. It would be good to understand the actual reasons for any decline in interest in the IGT UNC, if this is the case, rather than act on assumptions.

Question 2

Organisation - Anonymous responder

- 1) As an aspiration the amalgamation of the common areas so there is reduced link between codes seems sensible the costs to do this through development and legal text may not provide the tangible benefit. Currently if parties have an interest they feed in, otherwise the change just gets approved and the legal text implemented. We would prefer to amalgamate the codes totally rather than partial amalgamation.
- 2) In theory a single modification process would be ideal but if there is not a single code it still has complexities on things like the final work group report, how the meetings are led and how the governance on this would work. We would prefer to fully amalgamate codes rather than just amalgamate the modification process.
- 3) This may have a benefit for change governance, however, when reading the IGT UNC and being pointed to the UNC the lower level clauses aid with direct linking, to move things to a higher level could remove the explicit nature of the links put in place by IGT039. This could be used for changes going forward but the activity required to change the current IGT UNC drafting may not meet the required cost/benefit analysis for parties to seek to move this forward. The effort used to change the links could be used towards full amalgamation.
- 4) We support the amalgamation of the codes and the creation of any necessary ancillary documents; REC is seeking to achieve this for Suppliers so we would support a similar approach for Shippers/Transporters. We however recognise that this is no simple task and with the current issues there is not a huge direct impact (currently drawn out) for anything, including competition in the market, but instead an increase in admin changes and varied participation levels. We support a joined-up approach but consider this may be something considered in the future (post REC implementation) to see if further consolidated governance has the merits to move forward. There are also totally differ working and commercial dynamics between the UNC and the IGT UNC so these would need to be investigated before the codes could merge. We are supportive of clearer and simpler governance and believe the UNC could benefit from this but recognise this is an IGT UNC RFI.
- 5) To empower the code administrator to sponsor required changes to maintain the alignment of the codes would be a sensible solution, the changes will go through the change process so would outline issues, it just removes the need of requiring a named sponsor. It would also mean that if anything is spotted via the CACoP the Secretariats can work together to ensure alignment. This can also be used to build up a stronger case on making more radical changes like full amalgamation but it is depending on which options is preferred overall.
- 6) With the current level of change and the impacts of the issues mentioned are more balanced through parties picking and choosing what they participate in, the amendment of current drafting or the amalgamation of changes seems to bigger change compared to the issues. We support

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	code efficiencies and amalgamation but this may be the long-term preference due to complexity. Rather than do nothing we would support empowering the Code Administrator to take a proactive role for purely governance changes.
Organisation - First Utility	<p>Our preference is option 1 or option 4 to amalgamate the majority of the IGT UNC into the UNC with as little administrative burden placed on the industry.</p> <p>Option 2 continues with a change process within the IGT UNC which effectively maintains the current arrangements. We do not support this option.</p> <p>We do not believe the “Do Nothing” approach is viable given that the appetite for the IGT UNC is waning post implementation of Project Nexus.</p>
Organisation - ESP	<p>Solution 1: Although this solution may eliminate duplicated tasks carried out under both codes within the modification process, ESP does not agree that it would fix the key issue of engagement. ESP believes this solution may also exacerbate the problem identified, as widening the spectrum of topics within a combined UNC and IGT UNC framework could reduce the level of significance of the topics discussed in general for some parties, leading to a reduction of interest which runs counter to the objective of this review.</p> <p>Amalgamation of the UNC and IGT UNC will be a large and complex piece of work, as significant changes to both documents would be required, using up industry resources when there are other significant cross-industry work programmes currently underway that should take precedence. ESP is also concerned that if the task to combine the codes not be completed to a very high standard, then the risk of omissions could be high, resulting in increased likelihood of unintended and unanticipated negative impacts. Furthermore, the Faster Switching programme may trigger another review of the code/s which could duplicate the tasks or even render the work carried out meaningless.</p> <p>ESP also perceives additional risks for IGTs in this solution in that representation under governance structures under a combined code may lead to IGTs becoming more susceptible to hostile modifications than previously experienced. Due to this, Solution 1 would likely trigger a need to review the UNC governance structure.</p> <p>ESP acknowledges that code amalgamation is the eventual goal, but does not envisage that as achievable or necessary at present and so is not in support of this option.</p> <p>Solution 2: This solution fulfils the requirement to reduce the administrative burden with respect to “mirror” modifications without risking the unwanted side effects of a time consuming and expensive large scale code amalgamation exercise. Furthermore, ESP recognises that having separate governance structures with a more defined remit will be less unwieldy than a single code solution.</p> <p>ESP agrees that this solution is unlikely to increase participation, but as stated previously, ESP is of the opinion that attendance will fluctuate dependent on the nature of the issues being discussed.</p> <p>ESP sees the benefits of both options proposed by Solution 2, but of those two options, ESP is more in favour of Option B as it better preserves the ability of the UNC Panel to retain voting rights.</p> <p>Solution 3: ESP does not see this option as a viable solution. The analysis carried out under IGT039 establishes why certain clauses under the IGT UNC need to remain distinct from the UNC.</p>

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	<p>Solution 4: In much the same way that Solution 1 does, Solution 4 achieves the goal of eliminating duplicated tasks carried out under both codes within the modification process, however the benefits to implementation of this solution are outweighed by the drawbacks:</p> <p>Like Solution 1, significant changes to the IGT UNC are required in order to implement this solution, and again, suffers from the same issues Solution 1, that a poorly executed implementation will result in increased likelihood of negative impacts.</p> <p>Like Solution 1, it is most likely that this will also be an extensive project, with significant resource and time commitments and would suffer. Again, timing would have to be carefully considered as it is likely that the Faster Switching programme will trigger another review of the code/s which could result in duplication of work.</p> <p>Solution 5: ESP supports this option which we think can be implemented in addition Option 2, as they are not mutually exclusive. While Solution 5 achieves a reduction in the administrative burden, it does not reduce the requirement for shippers to attend duplicate work group meetings under both the UNC and IGT UNC. We suggest Solution 5 be used as a temporary measure while another, more appropriate solution is formed and implemented.</p> <p>Solution 6: ESP is not in favour of this issue as it does not make any improvement in terms of efficiency to the status quo but still find this a more preferable outcome to Solutions 3 and 4.</p>
Organisation - SSE	<ol style="list-style-type: none"> 1. We believe that this is the best solution as whilst it would require some upfront costs, mainly for legal text work, it would lead to a saving of code administration costs and lower overall ongoing industry meeting costs, as only one code would be required. Due to the confidentiality around the costs of the IGT code administration we are unable to comment on these savings, but following the legal text update and revised arrangements for amalgamating the codes, this arrangement would be likely to save significant ongoing industry costs, including for shippers, who would have fewer meetings to attend and modifications to address. 2. This would bring some benefits by streamlining the process for producing legal text. However, it would still require the IGT UNC to exist with code administration and possibly modification workstream meetings to discuss the modifications and proposed legal text. We do not envisage significant savings as a result of this option. 3. This would bring some benefits. However, we see them as being limited as this solution would only address those modifications that require a change to references within the IGT UNC and would not address the situation, which appears to be coming increasingly common, where a modification is required under the IGT UNC to change legal text to bring it in line with the UNC, rather than the IGT UNC just requiring a change to references to the UNC. This option would still require an IGT code administrator and workstream meetings. 4. This would have a very similar effect as option 1. However, when modifications or changes were approved it is likely that separate legal text would still be required for the IGT UNC and so whilst the industry would end up in a better position than today, it would not be the fully optimised solution as modifications would often require longer discussions and more legal text in order to update both the UNC and the ancillary document. It would probably have cheaper upfront costs than option 1, but would result in higher ongoing costs.

	<p>5. This would probably make the process only a little bit better, as it is still likely to require participation at workstream meetings of a similar nature that we currently have. All we see this option doing is preventing a situation where a UNC mod is raised, which results in an IGT UNC mod requiring to be raised but is subsequently not raised by a party. This would only bring administrative benefits to the party raising the modification and we do not see any material costs being saved by this option.</p> <p>6. We do not see this as a viable ongoing situation due to the problems identified in the current process.</p>
Organisation - Anonymous responder	<p>Option 1 would reduce the administrative burden on parties and would remove the quoracy issue. However, to implement this option, a lot of work would be required, and it sounds like it is likely to be the most time consuming and difficult to achieve. The UNC Governance arrangements would also need to change to give IGTs a voice and ring-fenced arrangements would be required to manage any changes to the Ancillary Document. We would like to see an assessment of the scope of the work required to amend the UNC to incorporate the IGT UNC first before we can comment fully on whether this would be the most suitable option.</p> <p>Option 2 is a feasible option. This would ensure that when a modification is raised, it is considered under both codes simultaneously, reducing the administrative burden for parties. While work will be required to implement this, it sounds less onerous than Option 1, whilst making the process more robust and removing the risk of IGT modifications not getting raised appropriately. However, we would like to understand in more detail the way that change management and party voting would work if this option was to be introduced.</p> <p>Option 3 sounds like it could be a viable solution, but the comments from IGTs noted here sound like it may not be feasible.</p> <p>Option 4 again sounds like a feasible option, although this too would require a lot of work before it can be implemented. However, this approach will future proof the IGTs as we would expect that any modifications raised would ensure changes are reflected between two aligned sets of obligations. However, this might still result in cross-referencing errors, so we would need to be mindful of this when setting up governance arrangements. Similar to Option 1, we would like to a further assessment of the scope of implementing this option.</p> <p>Option 5 doesn't sound like it would help in cases where modifications are material (and a reasonable proportion are, particularly when the solution is more complex). In addition, this option contains risks around party engagement.</p> <p>Option 6 It is clear that improvements to the code and party engagement is required and with further industry developments on the horizon it is pragmatic that an overview of the code is done and a solution is developed.</p>
Organisation - Cadent	<p>We would draw attention to the significance of some of the solution options identified by the review. In the case of code amalgamation, or significant changes to governance of the present arrangements our view is that this must be considered in the context of the strategic vision for the industry over, for example, the next 5 years. To this extent, prior to embarking on any development work we believe the involvement of customers and Ofgem is vital to help gauge how this might fit in with the overall strategic direction for the industry. In this respect reference should be made to Ofgem's consultation last year on implementing the CMA recommendations for industry code governance remedies.</p> <p>Mindful of the above, we have the following comments on the solution options:</p>

	<p>1. We would suggest that the 'bespoke' terms pertinent to IGT Supply Points only would form a new Section of UNC rather than an Ancillary Document. While we can see some merit in amalgamation as a medium/longer term solution, we do not support this course of action at this time given the significant industry workload associated with the establishment of the new Retail Energy Code (REC) in particular. We feel that subsuming the IGT UNC into UNC as envisaged would present a significant task and potentially divert industry attention at a critical time.</p> <p>2. We consider there may be merit in exploring this approach further albeit there are likely to be unforeseen complexities particularly concerning identification of costs and funding. For example, we believe Code parties not operating on an IGT network should not be responsible for any costs associated with extending the modification process in this manner, administration of governance or production of legal text, etc. It also seems odd for governance of a Code to be administered under another Code and it is unclear how this might be effective contractually.</p> <p>3. In general, we do not support this approach. The complexity of terms and variations between the treatment of IGT and GDN Supply Points suggest that this measure would lack sufficient granularity for IGT UNC parties. However, provided a comprehensive review of relevant IGT terms were undertaken and relevant changes made to ensure 'continuity' then such a measure may be feasible.</p> <p>4. Not supported at this time. This approach would result in unnecessary complexity and duplication.</p> <p>5. Not supported. We believe that as non-contracted parties it would be inappropriate for Code Administrators to formally raise Code Modifications. We do not believe it is necessarily burdensome for parties to raise non-material Modifications and indeed Cadent has raised many such Proposals under the UNC without difficulty. However, we do believe governance administration entities have a responsibility to support and assist in their 'critical friend' role and there is no reason why draft proposals can be prepared and/or the content improved upon by the code administrator to help the proposer.</p> <p>6. Notwithstanding that some of the evidence provided in the appendices appears to challenge some of the drivers for change, we believe there is merit in seeking to bring the two Codes together and on this basis 'do nothing' seems to be not a sustainable option. We would suggest that once the new REC arrangements have been implemented, that a programme of work (possibly under an Ofgem Strategic Code Review (SCR)) be initiated to more closely assess the implications, pre-requisites and requirements for code amalgamation. In general Solution 1 appears to us to be the ultimate goal and we would question whether any of the other options would deliver tangible long term industry benefit.</p>
Organisation – British Gas	<p>1. WE SUPPORT - this option would be ideal, but would require significant lead time and resource to achieve. It could not happen without the IGT's relinquishing some of their rights of veto to change. From discussions to date, I do not believe this will be possible.</p> <p>2. WE SUPPORT- this option would be readily available, require no governance changes, and would allow efficient simultaneous impact assessments to take place.</p> <p>3. WE SUPPORT – this would not resolve all issues, but would be prevent so many changes from being required. Would require a full Impact assessment by IGT's as to their giving up existing rights to control change.</p> <p>4. WE SUPPORT – without further exploration of the governance issues, we believe this would have the same pitfalls as option 1, that IGTs would be required to give up some rights of control to achieve any meaningful benefit.</p> <p>5. WE SUPPORT – this would reduce some delay and duplication of effort. The same number of Impact assessments would have to be concluded though.</p> <p>6. WE DO NOT SUPPORT – do nothing seems unhelpful when there are easy to implement, low effort options on the table such as 2 & 5. However, we recognise the upcoming Retail Energy Code changes may mean the group come to the conclusion this is not the right time for reform.</p>
Organisation – Indigo Pipelines	<p>1) This would be a very large piece of work, similar to the full IGT UNC review required for IGT Mod 39, and is not proportionate to the size of the problem identified; an extensive legal review would be required making this a very lengthy task so not a quick fix</p>

	<p>2) This may have some merit, but there are still many Mods for each Code that are not mirrored in the other Code, so again the changes required may not be proportionate. Furthermore, it may actually be detrimental to participation if parties are required to sit through discussion of a much larger list of Mods from both Codes to find the ones that are relevant to their business</p> <p>3) This could lead to obligations being imposed on IGT UNC parties inadvertently, so would require an extensive legal review</p> <p>4) IGTs do not have adequate voting rights and influence over the UNC so this option would not be acceptable from a governance perspective</p> <p>5) We have no fundamental objections to allowing the Code Administrators of UNC and IUNC to work closer together and to raise mirror Mods across the two Codes, however, the Mods would still need to be discussed by the relevant Workgroups and therefore would not achieve a reduction in workgroup meetings</p> <p>6) We do not feel that the 'administrative' nature of many recent Mods is overly onerous, so do not feel this is a problem that needs solving right now. We also feel that IGT support for Panel and workgroups is consistent and adequate and are not seeking any specific changes here either. We are concerned that Shipper support for IUNC has waned, as evidenced by the unfilled Shipper seat on the Panel, and this aspect specifically needs to be addressed, but in a targeted and proportionate manner.</p>
Organisation – SGN	<p>As per our response to Question 1, with the exception of the imminent quoracy issue, we do not consider that the data provided in the RFI adequately supports the above problem statements. Therefore, at this stage we would not support any of the above proposed activities. For clarity, this includes the 'do nothing approach' as we do consider that further work is required in this area.</p>
Organisation – BUUK	<p>Option 1. BUUK believe that the solution needs to be appropriate to the size of the issue or problem aiming to be tackled. The amalgamation of the two codes is a huge undertaking, in terms of governance, resource and potential cost, and would not just be a bolt-on of one code to the other. Whilst this may well be a beneficial long-term aim, given the current resource demands placed on the industry with Ofgem's Faster Switching Programme and that of the current code landscape it would appear sensible that this option not be considered at this time. Particularly whilst there is no real quantification of the issue(s). This paper intimates a potential attendance concern at current workgroups. Introducing additional change and workgroup forums at this time could well compound such concerns. The amalgamation could also mean:</p> <ul style="list-style-type: none"> • The governance surrounding the processes and operational activities specific to the larger new connection sites, predominantly carried out by IGTs, would require particular consideration. • Would require a re-tendering exercise to determine the most appropriate Code Administrator/Code Manager. This would be a significant piece of work and would require considerable resource. There may well be a requirement for a full review of the governance relating to procurement activity, given that the IGT UNC Secretariat is a procured service, unlike that of the UNC Secretariat. • Large costs would be incurred, when no real benefit has been identified, at this stage. • Consideration should be given as to the most appropriate means of amalgamation of the two codes. <p>Option 2. This solution is viewed by BUUK as a good transitional step to formulate improvements where there are currently gaps or holes between the two modification processes in the IGT UNC and UNC. It makes sense to produce IGT UNC text in line with UNC modifications, where appropriate, as it has been apparent in some cases that there has been a lack of cross-code working, leading to misalignment of the codes. However, we would question whether this should be a two-way approach and that changes raised to the IGT UNC should also be considered whether appropriate to the UNC. BUUK believe that this option should be explored first before any option to amalgamate codes is undertaken. It may even be the case that simple changes to current practices can help to bridge any gaps and improve processes. The industry needs to remain mindful that the solution option chosen, if any, should be appropriate to address the actual issue rather than any perceived issue.</p> <p>Option 3. BUUK would not support this option as it remains unclear how this option looks to address the perceived issues. Amending the IGT UNC to reference the UNC at a much higher level could introduce huge ambiguity and, thereby, inefficient code management</p>

	<p>Option 4. BUUK see this option as almost identical to that of option 1 and, therefore, our reasons for rejecting this option are the same.</p> <p>Option 5. BUUK do see the benefits of this option. However, further work would be required to determine if the industry views that 'alignment' modifications are as burdensome as perceived. Only 10 of the 42 modifications that have gone through the IGT UNC since 2015 have been alignment changes. This suggests that due to the frequency, these may not be causing a real issue to the industry and is more of a perceived issue.</p> <p>Option 6. Whilst a 'Do nothing approach' is often viewed as an unfavourable approach, the attendance and modification data provided indicates that there is insufficient data to accurately determine whether in fact the persevered issues are indeed issues. Increases and decreases in attendance and modifications correlate with industry change and therefore BUUK are of the belief that we should not rush into changing processes, procedures and governance. Couple this with the introduction of Faster Switching and the Retail Energy Code, perhaps a preferred approach might be to keep a watching brief on how things pan out over the next 6-12 months and review again.</p>
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Question 3

Organisation - Anonymous responder	<p>Option 4 – We would prefer to have amalgamated and streamlined codes, however, for the issues raised in this workgroup so far, we recognise this is a large governance development and difficult to quantify the benefits currently. We however believe with the creation of the REC for Suppliers a similar principle should be applied for Shippers/Transporters. The IGT UNC only has a few 'IGT only' areas, the rest mainly points to the UNC, therefore it would be sensible to amalgamate but it would be no simple task. Currently the governance arrangements for the UNC are different because it is delivered by the Transporters via the Joint Office, compared to the IGT UNC who Gemserv deliver it on their behalf. We would prefer that both the IGT UNC and the UNC were delivered by a licenced Secretariat but appreciate this is more for the UNC governance work rather than for this IGT UNC RFI.</p> <p>After full amalgamation we support Option 5 as it promotes the CACoP principles via Secretariat empowerment.</p>
Organisation – First Utility	Option 1
Organisation – ESP	<p>ESP's preference is for Solution 2 (Option B) and Solution 5, as together, they reduce the administrative burden where a consequential change under the IGT UNC would be identified as necessary following a UNC Modification. They accomplish this without a lengthy process to amalgamate the codes, without exposing IGTs and other code participants to unintended consequences, and without diminishing the influence IGTs have regarding industry change. The key issue for ESP is the extent to which the same change has a unilateral impact on both GDNs and IGTs; the two businesses are not the same, and as such, we believe Solutions 1, 3 & 4 are inappropriate and may introduce disproportionate risk.</p>
Organisation – SSE	<p>As proposer of Review Group 004 our organisation has a strong preference for Option 1. Whilst it may require some upfront work and costs for legal text changes, in our view it is the most pragmatic way forward for future IGT governance, as it will be the most efficient method where only one modification and legal text provision will be required to be provided for each change for all supply meter points, whether on GT or IGT networks. This type of solution is working well under the CDSP arrangements and we see no reason why it cannot work in a similar manner under the UNC arrangements. Furthermore, this biggest change option is unlikely to lead to any changes of the new Nexus Systems, which is increasingly becoming the constraint on modifications and changes wishing to be implemented by the Industry. A number of the other options, whilst they would probably improve the current situation, could</p>

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	have a negative effect in that as discussions would be even smaller under those options, it could lead to even less engagement from shippers and an even lower likelihood of filling shipper Panel positions, as the Panel would still be required under most of the alternative options.
Organisation - Anonymous responder	Options 2 would be our preferred option. However, we realise that Options 1 and 4 could potentially be suitable as well. This would depend on a full assessment of the scope of works required to implement them.
Organisation - Cadent	In the short term, Option 6. However in the medium/long term, Option 1 would be Cadent's preference. We have set out our reasons for this above.
Organisation – Indigo Pipelines	We do not support at this time, any attempts to merge the IUNC into UNC. We feel this will undermine the legitimacy of the IUNC and make it subject to a governance process where IGTs have inadequate influence and voting rights. We believe that merging the two Codes, or merging the governance meetings, will benefit the Shippers who attend both, but will have a negative effect on Transporter attendance as they will be required to attend very long meetings where large parts of the discussions will be of no relevance to them. Our preferred option would be to focus specifically on casting the net wider to engage with the new and smaller Shippers who have not traditionally been active in the IUNC change process, to try to fill the Shipper Panel vacancy.
Organisation – SGN	As per our response to Question 2, we do not support any of the solutions at this time.
Organisation – BUUK	BUUK propose that a 7th option is tabled. This option would be to set up a cross-code working group to review the modification process of both the IGT UNC and the UNC, to see where there are failings and where improvements can be made in the process. BUUK recognises that there may be issues with the current modification processes and, without understanding what these issues are, we are unable to reliably determine the correct course of action. It is our view that even option 2 goes too far in assuming what the issues are and would itself be a significant change. Therefore, the proposed Option 7 looks to draw out further discussions specifically related to the modification processes but should be careful to formulate solutions that are reflective of the size of the issue(s).

Question 4

Organisation - Anonymous responder	We are interested in Ofgem's future view of Industry Codes and if they foresee similar activities to REC for Shippers/Transporters. It was the original direction to have the IGT as an independent code, but with such similarities between the codes today compared to then it could be something already considered as part of their forward work plan. If it is then could it better to park the review group until such time as it is required.
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Organisation – First Utility	No
Organisation – ESP	ESP has highlighted that the proposal for Solution 3 may not be viable due to previous analysis carried out under IGT039, and is of the opinion that further discussion may eliminate this as an impractical solution.
Organisation – SSE	Due to being in attendance at all of the Review Group meetings we do not have any unidentified concerns or suggestions for other solutions.
Organisation - Cadent	Given the apparent limited scope of the review we have not identified any areas of concern. However, should a requirement for change materialise, we believe there needs to be a much more in depth consideration of the drivers and implications of this. This should include consideration of licencing impacts, cost & funding and impact on existing governance administrators.
Organisation – Indigo Pipelines	As above
Organisation – SGN	As per our response to Question 1, the data provided does not necessary support the problem statements articulated above. The only issue which appears likely to materialise is that of quoracy – in our response to Question 1 we have made some suggestions as to how this might be addressed. If the workgroup feels that there are other issues which are unaddressed, we would suggest that further work is required to identify and demonstrate such issues.

Question 5

Organisation - ESP	ESP is not convinced that any of the solutions presented here will have any measurable impact on two of the three drivers for this review. While the solutions presented will undoubtedly increase efficiency in the administration of the change process in various differing ways, ESP does not envisage that it will have any appreciable impact on either the engagement of the code or the ease (or lack, thereof) in which panel positions are filled.
Organisation - Cadent	We note that the presence of this RFI was something of a surprise to the UNC Modification Panel and it may have been beneficial for an appropriate briefing to be provided in advance to members.
Organisation - BUUK	BUUK feel it worth highlighting that, whilst we would support a full IGT UNC and UNC governance review at the right time and for the right reasons, there is no evidence that suggests today that the IGT UNC is broken and not working as a code should be working. Until and unless that evidence is forthcoming we would be reluctant to support a large scale review and change of current governance arrangements.

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