









Modification	At what stage is this document in the process?
<h1>IGT140:</h1> <h2>Changes to the IGT Panel Rules</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #00a651; color: white; padding: 5px; display: flex; align-items: center; justify-content: center;"> 01 Modification </div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: center;"> 02 Workgroup Report </div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: center;"> 03 Draft Modification Report </div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: center;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This proposal is seeking to change the mod panel rules to introduce a flexible approach to accommodate where there isn't a full panel of representatives for either the Pipeline Operators or the Pipeline Users.</p>	
	<p>The Proposer recommends that this modification should :</p> <ul style="list-style-type: none"> • be assessed by a Workgroup <p>This modification will be presented by the Proposer to the Panel on 24th April 2020. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>
	<p>High Impact:</p> <p>Pipeline Operators and Pipeline Users</p>
	<p>Medium Impact:</p> <p>NA</p>
	<p>NA</p>

Contents		?	Any questions?
1	Summary	3	Contact: Code Administrator
2	Governance	4	 iGTUNC@gemse rv.com
3	Why Change?	4	
4	Code Specific Matters	5	 020 7090 1044
5	Solution	5	
6	Impacts & Other Considerations	7	Proposer: Kirsty Dudley
7	Relevant Objectives	7	 Kirsty.Dudley@eone nergy.com
8	Implementation	8	
9	Legal Text	8	
10	Recommendations	8	 07816 172 645
11	Appendix 1	8	
Timetable			
The Proposer recommends the following timetable:			
Initial consideration by Workgroup	14 th May 2020		
Amended Modification considered by Workgroup	11 th June 2020		
Workgroup Report presented to Panel	23 rd October 2020		
Draft Modification Report issued for consultation	24 th October 2020		
Consultation Close-out for representations	13 th November 2020		
Variation Request presented to Panel	dd month year		
Final Modification Report available for Panel	14 th November 2020		
Modification Panel decision	27 November 2020		

1 Summary

What

This modification seeks to make changes to the IGT UNC Panel rules to accommodate where there are not either 3 Pipeline Operators or 3 Pipeline Users which have been elected. This is to ensure that panel can continue to efficiently make decisions and where a constituency (Pipeline Operator or Pipeline User) has reduced membership due to vacancies there is not a reduction in votes which can be cast, without the need for rescheduled meetings.

Why

Currently the IGT UNC Panel has 3 Pipeline Operator representatives which has all 3 spaces filled by representatives from BU-UK, Indigo Pipelines and ESP Group. There are 3 Pipeline User representative positions with currently only 2 positions filled by E.ON and Scottish Power.

Where there are vacancies and there is not full IGT Panel representation (either Pipeline Operator or Pipeline User) this can present quoracy issues and has in recent months seen the Panel having to reconvene meetings to make decisions. This modification is required to ensure that regardless of limited representation the IGT UNC Panel has sufficient flexibility to ensure that effective decision making continues for the IGT UNC Panel.

How

Where there are Panel vacancies the voting model will default to 3 votes per constituency (replacing the vote per member model) and the votes will be shared between the Panel members for the impacted constituency,

Creation of a revised IGT UNC panel approach which includes:

1. The IGT Panel consisting of 3 x Pipeline Operators and 3 x Pipeline Users votes
 - Where there are 3 x Pipeline Operators and 3 x Pipeline Users representatives it will be a vote per person.
 - Where there are any vacancies in either constituency there will be 3 x Pipeline Operators and 3 x Pipeline Users votes but they will be shared between the representatives.

For the avoidance of doubt, this does not stop there being full membership of 3 panel members per constituency, this model will only be evoked where vacancies occur.

2. Revising the current quoracy model which allows for meetings to be rescheduled if the minimum requirement is not reached, but also ensuring that any rescheduled meetings have quoracy requirements applied to them. Today quoracy is only applied to the initial meeting and not any which are rescheduled.
3. Continue to have the ability to nominate alternates but the introduction of the ability to submit a proxy vote to avoid quoracy issues.
4. Confirming the Independent Network Association (INA) process still remains to allocate Pipeline Operator representatives.

2 Governance

Justification for Normal Governance Procedures

As this modification seeks to make changes to the IGT UNC Panel rules it would require Authority decision.

Requested Next Steps

This modification should:

- be assessed by a Workgroup

3 Why Change?

The IGT UNC has 3 Pipeline Operator representatives which has all 3 spaces filled by representatives from BU-UK, Indigo Pipelines and ESP Group. There are 3 Pipeline User representative positions with currently only 2 of the 3 positions filled by E.ON (term due to end in August 2020) and Scottish Power (term due to end September 2021).

Currently, there are issues with IGT UNC Panel representation, but this is mainly relating to the Pipeline User constituency. This is because it is currently under represented and has been for some time. Without a fully represented panel there is an opportunity for decision making not to be representative of all views of the Pipeline User constituency which could be detrimental to the market. In late 2019 the IGT UNC Code Administrators issued numerous requests seeking representatives for election onto the IGT UNC Panel for Pipeline Users which have been, to date, unsuccessful.

The introduction of Single Service Provision (SSP) in 2017 (delivered via Project Nexus) has created a heavy dependency on the Uniform Network Code (UNC), but there are still a number of IGT UNC specific processes and requirements e.g. invoicing and the new connections processes which remain in the IGT UNC. This means that a panel of representatives for both operators and users is vital to ensure that decision making is fair and equitable for all parties and the industry.

During discussions in RG004 - Review of IGT Governance and Administration Arrangements, the make-up of the panel was the subject of considerable debate and no modifications were raised to address issues at the time. Since then there has been a continual vacancy on the Panel in the Pipeline User constituency and quoracy issues have occurred. If a Pipeline User is not elected either prior to or at the point of the Panel Member (whose position is currently held by E.ON and whose term is ending in 2020) there is likely to be permanent quoracy issues for the Panel, based on past recent experience of interest in the role from Shipper Parties. This means that a solution is required and although a modification may not have been needed at the time of RG004, it is now.

To try and understand the reasons for the reduced engagement in the IGT UNC Panel issued an engagement survey. The responses were reviewed by the IGT UNC Workgroup and outlined issues which included under resourcing. There were also suggestions to merge the IGT UNC and the UNC. Neither of these issues can be addressed by the IGT UNC. There were suggestions on representation of the Panel and this modification seeks to build on these to try and address the issues the IGT UNC Panel faces.

Although not all Shippers operate in the IGT market it is expected that due to the volume of IGT connections that more and more Shippers are shipping for IGT supply points, and therefore have a vested interest in the IGT UNC and how it works and in ensuring that decision making is appropriate.

The following focusses on the Pipeline User stats.

In February 2020 there were 271 Shippers (Pipeline Users) listed on the Ofgem Licensee list.

In February 2020 there were 177 Shippers (Pipeline Users) listed on the Central Data Services Provider (CDSP) list of organisations.

The CDSP has confirmed as of 19/02/2020 that approx. 50 Shippers have IGT UNC supplies in their portfolios with approximately 15 individual Shipper IDs (not necessarily individual organisations) having >20k supply points.

4 Code Specific Matters

Technical Skillsets

Understanding of the IGT UNC Panel rules.

Reference Documents

Links to areas referenced in why change:

RG004 – <https://www.igt-unc.co.uk/review-groups/rg004-review-igt-governance-administration-arrangements/>

Engagement survey – <https://www.igt-unc.co.uk/wp-content/uploads/2020/02/Pipeline-User-Engagement-Survey-Result.pdf>

Ofgem list of gas licensees – <https://www.ofgem.gov.uk/publications-and-updates/list-all-gas-licensees-including-suppliers>

CDSP organisation list – <https://www.xoserve.com/media/1431/list-of-organisations-on-uk-link.xlsx>

5 Solution

To address the under resourcing of the Pipeline User representatives, and to futureproof for both Pipeline Operators and Pipeline Users to ensure a fair and flexible model is introduced, the solution is proposed as:

1. The IGT Panel consisting of 3 x Pipeline Operators and 3 x Pipeline Users votes
 - a. Where there are 3 x Pipeline Operators and 3 x Pipeline Users representatives it will be a vote per person.
 - b. Where there are any vacancies in either constituency there will be 3 x Pipeline Operators and 3 x Pipeline Users votes but they will be shared between the representatives with the following modelling:
 - i. 2 representatives for Pipeline Operators and Pipeline users: 1 representative would have 2 x votes and 1 would have 1 x vote (total of 3 votes for each constituency).

The representatives will advise the IGT UNC Secretariat who will hold the 2 x votes on a permanent basis. If they are unable to agree and notify in advance, the Secretariat will allocate the votes either before or at the start of the meeting at the very latest.

- ii. 1 representative for Pipeline Users only, will have 3 x votes. As it is the IGTs code there should be no less than 2 representatives so there is no modelling for just one representative.
- c. Where multiple votes are held by a single representative, the votes cast can be the same e.g. both approve/reject, or, they can be a mixture e.g. 1 approve and 1 reject. This is so the voting can reflect constituency views.

For the avoidance of doubt, this does not stop there being full membership of 3 panel members per constituency, this model will only be invoked where vacancies occur. It would not extend to cover a scenario where a representative does not appoint an alternative.

2. Quoracy of the IGT UNC Panel Meeting

- a. Amending the quoracy to be a minimum of 2 x Pipeline Operators and 1 x Pipeline User. As it is the IGT's code there should be a greater attendance requirement from the Pipeline Operators than for Pipeline Users.
- b. The voting applied for these meetings will be as per the IGT UNC Panel Representation section above.
- c. The quoracy of the meeting will be applied to any standard monthly meeting or any reconvened meetings.
- d. Where the quoracy of a standard monthly meeting is not met the decision making will default to a reconvened meeting within 5 Business Days of the standard meeting. Where a meeting cannot be convened or quoracy of the reconvened meeting is not met, the decision making will default to the next standard meeting.
- e. There is the ability for the panel to make an ex-committee decision via email and the voting rules are the same as if a decision was made in a meeting.
- f. The provision of a proxy vote will be classified as attendance and can be utilised for decision items on the final agenda.

3. Ability to nominate alternates or to submit a proxy vote to avoid quoracy issues

- a. Where the IGT UNC Panel representatives are unable to attend, a nominated alternate can be allocated for the standard or reconvened meeting. Ideally the nomination should be in writing prior to the meeting but can also be allocated verbally via the IGT UNC Secretariat (who may ask for written confirmation as a follow up).
- b. Introduction of a new proxy vote. This is where a representative cannot appoint an alternative but to avoid quoracy issues provides decisions. Proxy votes maybe issued prior to the meeting or during the meeting should the representative need to leave the meeting. The Chairperson becomes the nominated proxy unless otherwise specified. The format of the proxy will be determined by the IGT UNC Secretariat and approved by the IGT UNC Panel.

- c. Should the need for a decision be amended at the Panel, e.g. a decision is no longer required, the submitted proxy vote will be discounted and classed as invalid.

4. Appointing representatives for Pipeline Operators

- a. Currently the representatives for the IGT UNC Panel are arranged by the Independent Networks Association (INA), this modification does not seek to amend that process.

6 Impacts & Other Considerations

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

There are no direct impacts to the Faster and More Reliable Switching SCR.

There are no direct impacts to the Code Consolidation SCR, however, any changes made to the legal text because of this change would need to be considered as part of the future drafting.

Consumer Impacts

No direct consumer impacts have been identified, however, should these be identified through the workgroup discussions they will be outlined in the final report.

Environmental Impacts

No environmental impacts have been identified.

Cross Code Impacts

The changes are isolated to the IGT UNC Panel only. No other codes should be impacted by these changes, however, if this is not the case, the workgroup and final workgroup report will outline them.

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) Co-ordinated, 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;	Positive

(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements 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 Cooperation of Energy Regulators	None

The modification links to relevant Objective D) and F), this is because a balanced and represented panel ensures robust and well thought out decision making and ensures effective and efficient decisions are made. The under representation of any constituency could impact competition and possibly see a dominant decision making advantage to a single constituency which is not the way a Panel should operate. This solution seeks to introduce a model which has increased flexibility where reduced representation occurs which differs from the rigid modelling in place today, it also promotes efficiency in the code by having quoracy applied to standard and rescheduled meetings.

8 Implementation

5 Working Days after the Authority decision.

9 Legal Text

To be supplied by the Pipeline Operators.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Normal governance procedures should apply
- Refer this proposal to a Workgroup for assessment.

11 Appendix 1

Outline of Shipper and IGT organisations, who have nominated Pipeline User and Operator representatives as a way to participation and attendance.

To be added during modification development.