





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: #28a745; color: white; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: green; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #17a2b8; background-color: #d9edf7; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: #17a2b8; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ffc107; background-color: #fff3cd; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: #ffc107; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #dc3545; background-color: #f8d7da; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="background-color: white; color: #dc3545; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>This proposal is seeking to change the IGT UNC Modification 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"> <li>be assessed by a Workgroup</li> </ul> <p>This modification will be presented by the Proposer to the Panel on <b>24<sup>th</sup> April 2020</b>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
	<p>High Impact: Pipeline Operators and Pipeline Users</p>	
	<p>Medium Impact: N/A</p>	
	<p>Low Impact: N/A</p>	

## Contents

<b>1 Summary</b>	<b>3</b>
<b>2 Governance</b>	<b>4</b>
<b>3 Why Change?</b>	<b>4</b>
<b>4 Code Specific Matters</b>	<b><u>65</u></b>
<b>5 Solution</b>	<b><u>65</u></b>
<b>6 Impacts &amp; Other Considerations</b>	<b><u>97</u></b>
<b>7 Relevant Objectives</b>	<b><u>107</u></b>
<b>8 Implementation</b>	<b><u>118</u></b>
<b>9 Legal Text</b>	<b><u>118</u></b>
<b>10 Recommendations</b>	<b><u>118</u></b>
<b>11 Appendix 1</b>	<b><u>118</u></b>

Any questions?

Contact:  
Code Administrator

[iGTUNC@gemse rv.com](mailto:iGTUNC@gemse rv.com)

020 7090 1044

Proposer:  
Kirsty Dudley

[Kirsty.Dudley@eone nergy.com](mailto:Kirsty.Dudley@eone nergy.com)

07816 172 645

## Timetable

### The Proposer recommends the following timetable:

Initial consideration by Workgroup	14 <sup>th</sup> May 2020
Amended Modification considered by Workgroup	11 <sup>th</sup> June 2020
Workgroup Report presented to Panel	23 <sup>rd</sup> October 2020
Draft Modification Report issued for consultation	24 <sup>th</sup> October 2020
Consultation Close-out for representations	13 <sup>th</sup> November 2020
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	14 <sup>th</sup> November 2020
Modification Panel decision	27 November 2020

## 1 Summary

### What

This modification seeks to make changes to the IGT UNC Modification Panel rules to accommodate where there are not either three Pipeline Operators or three 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 Modification Panel has three 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 two positions filled by E.ON and Scottish Power.

Where there are vacancies and there is not full IGT UNC Modification 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 Modification Panel has sufficient flexibility to ensure that effective decision making continues for the IGT UNC Modification Panel.

### How

Where there are IGT UNC Modification Panel vacancies the voting model will default to three 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 Modification Panel approach which includes:

1. The IGT UNC Modification Panel consisting of three Pipeline Operators and three Pipeline Users votes:
  - o Where there are three Pipeline Operators and three Pipeline Users representatives it will be a vote per person.
  - o Where there are any vacancies in either constituency there will be three Pipeline Operator and three Pipeline User votes, but they will be shared between the representatives.

For the avoidance of doubt, this does not stop there being full membership of three panel members per constituency, this model will only be evoked where vacancies occur following a comprehensive election process being carried out by the Code Administrator.

2. Revising the current quoracy model which allows for meetings to be rescheduled if the minimum requirement of attendees 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 subsequent rescheduled meetings. The solution will seek to ensure decisions are not unnecessarily delayed and allow for emailed ex-committee decisions where appropriate.
3. Continue to have the ability to nominate alternates but the introduction of the ability to submit a Proxy Vote (as a new defined term) to avoid quoracy issues.
4. Confirming the Independent Network Association (INA) process still remains the same to allocate Pipeline Operator representatives.

Creation of a guidance [ancillary] document for IGT UNC Modification Panel on the application of the principles proposed in this modification.

The solution is also completing housekeeping activity e.g. Chairman to Chairperson.

## 2 Governance

### Justification for Normal Governance Procedures

As this modification seeks to make changes to the IGT UNC Modification 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 three Pipeline Operator representatives which has all three spaces filled by representatives from BU-UK, Indigo Pipelines and ESP Group. There are three Pipeline User representative positions with currently only two of the three 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 Modification Panel representation, but this is mainly relating to the Pipeline User constituency. This is because it is currently underrepresented 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 Modification 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 process 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.

In 2018/2019 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 2019 there has been a continual vacancy on the IGT UNC Modification Panel in the Pipeline User constituency and quoracy issues have occurred.

There is a present risk that permanent quoracy issues will arise at the end of E.ONs current term (August 2020) if the constituency does not have a representative come forward to fill space(s) on the panel, which from recent experience is probable. This means that a solution is required and although a Modification may not have been needed or raised at the time of RG004, it is now.

To try and understand the reasons for the reduced engagement in the IGT UNC, the IGT UNC Modification Panel issued an engagement survey. The responses were reviewed by the IGT UNC

Workgroup and outlined issues which included Parties resourcing challenges. There were also suggestions to merge the IGT UNC and the UNC. Neither of these issues can be addressed by the IGT UNC Code Administrator or the IGT UNC Modification Panel through the survey responses, it would require sponsored Modifications to deliver this solution which is greater than what this Modification is seeking to deliver.

There were suggestions on representation of the panel put forward by E.ON as part of the survey response and this Modification seeks to build on those initial ideas to try and address the issues the IGT UNC Modification Panel faces today. This Modification does not seek to address the suggestion to merge the codes.

Although not all Shippers operate in the IGT market it is expected that due to the volume of IGT connections, more and more Shippers are shipping for IGT supply points. Therefore, those Shippers have a vested interest in the IGT UNC and how it works, particularly in ensuring that decision making is appropriate. As part of the workgroup the Code Administrator will be providing further information on which organisations have represented the IGT UNC Modification Panel in recent years.

The following focusses on the Pipeline User stats to give some insight into how many are currently involved in the IGT market:

- 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.

The issues which are being faced by the IGT UNC Modification Panel are predominately due to Pipeline User representation. The Pipeline Operators have a different mechanism to assign their Voting Members (using the INA) and have always had a full IGT UNC Modification Panel representation.

To introduce a new approach needs to:

- be reflective of the agreement dynamics e.g. it is the IGT code, not the Shipper code
- address known issue e.g. there is only under representation in the shipper constituency leading to quoracy issues, there has not ever been an issue with IGT under representation
- ensure it doesn't degrade the importance of the panel by allowing membership to be too low e.g. if there is only one IGT and one shipper is this diverse representation? We don't believe it would be

Any reduction in representation is to act as an enabler to increase IGT UNC Modification Panel engagement for the Pipeline User constituency, but mainly to act as a safety net where only a single Pipeline User may go through the election process or remain the sole representative. The lone representation is only a current threat for the Pipeline Users currently, for which this Modification is trying to address. As it is not an imminent Pipeline Operator issue and to avoid a position where only a single IGT and Shipper on the panel the reduction to one has only been completed in the Pipeline User constituency

This Modification It is not addressing all possible scenarios e.g. zero Pipeline User representatives or only a single Pipeline Operator representative. Further modifications would be required should these scenarios become a pressing issue. Ideally, this Modification would not have been necessary because all constituencies would be fully represented.

**Commented [DK1]:** Still awaiting a view of this – hoping for it for the July workgroup

**Commented [DK2]:** This articulates what is in and out of scope of this modification. If the flow of the section doesn't work, happy to move this around.

The solution seeks to retain the same number of votes per constituency (three each) but allow Voting Members of the IGT UNC Modification Panel where under representation occurs in either constituency to hold multiple votes. This wouldn't be a new concept in the industry, as the Change Management Committee (ChMC) and Contract Management Committee (CoMC) which were created to support the Data Services Contract (DSC), between Xoserve in its role as the Central Data Services Provider (CDSP) and industry, already applies this principle and has done through the elections process since [2017]. For example, there are six Shipper votes (two class A, two class B and 2 class C) and where there are not six individuals the votes are shared out according to the DSC guidelines. Using the learnings from another Committee that both Pipeline Operators and Users are accustomed to is a pragmatic approach to help address the issue of quoracy in the IGT UNC.

The concept of a proxy vote already exists in the Supply Point Administrative Agreement (SPAA), the suggestion to include it in the IGT UNC is to assist where an Alternative is appointed so it can be clearly documented the decisions the Alternate is to present. It can also act as a mechanism to vote where a Voting Member cannot attend or appoint an Alternate. We see this as a positive step to help address quoracy issues which have occurred for the IGT UNC Modification Panel. This concept is meant to act as a safety net where people cannot join the meeting (holiday cover or last-minute changes in availability), it is not meant to be a permanent approach to voting as that could impact the ability for panel to have meaningful discussions.

## 4 Code Specific Matters

### Technical Skillsets

Understanding of the IGT UNC Modification 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 UNC Modification Panel consisting of three Pipeline Operators and three Pipeline Users votes
  - a. Where there are the maximum of three Pipeline Operator Representatives and three Pipeline User Representatives it will be a vote per Voting Member.

- b. Where any vacancies occur which are not filled through the election process run by the Code Administrator there will be three Pipeline Operator and three Pipeline User votes but they will be shared between the Voting Member(s) with the following modelling:
  - i. Two Voting Members for Pipeline Operators and Pipeline users:
    - one Voting Member would have two votes and one Voting Member would have one vote (total of three votes for each constituency).
      - 1. The Voting Members will advise the IGT UNC Code Administrator and/or Panel Chairperson on who will cast the two votes on a permanent basis.
      - 2. If the representatives are unable to agree or the information is not notified in advance of the start of a meeting, the Panel Chairperson will as part of the meeting agenda (standard or reconvened) allocate the multiple votes to a Voting Member prior to any decisions being made.
      - 2.3. To ensure the Panel Chairperson maintains independence, the initial approach will be via a rota using an alphabetical (surname) selection to choose who casts the multiple votes, the rota will be administered via the Code Administrator and Panel Chairperson. Any decisions to change this will be via IGT UNC Modification Panel and will be documented via the IGT UNC Modification Panel Guidelines. There will not be the requirement for a Modification to refine this.
    - ii. One Voting Member for Pipeline Users only, will have three votes. For the avoidance of doubt, this would not apply to the Pipeline Operators as they would have a minimum representation of two Voting Members.
  - c. Where multiple votes are held by a single Voting Member, the votes cast can be the same e.g. both approve/reject, or, they can be a mixture e.g. one approve and one reject. This is so the voting can reflect constituency views submitted in Consultation responses.

For the avoidance of doubt, this does not stop there being full membership of three Voting Members per constituency, this model will only be invoked where vacancies occur after the election process has been conducted by the Code Administrator.

It would not extend to cover a scenario where a representative does not appoint an alternative or submit a Proxy Vote, they will still be considered absent as per L 5.9(a).

It also does not change the Panel Majority approach to decision making nor impact the period of appointment/term for a Voting Member.

## 2. Quoracy of the IGT UNC Modification Panel Meeting

- a. Amending the quoracy to be a minimum of two Pipeline Operators and one Pipeline User.
- b. The voting applied for these meetings will be as per the IGT UNC Modification 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 five (5) Business Days of the standard meeting. Where a meeting cannot be convened or quoracy of the reconvened meeting is not met,

the Panel Chairperson will decide if another meeting should be convened or if the decision making will be via an ex-committee email or added to the next standard meeting agenda, the Panel Chairperson will determine the appropriate decision-making route and will be added to the Chairperson's Guidelines as an activity they could be required to do.

**Commented [RC3]:** Do we need to define this term in the IGT UNC – not currently in there

**Commented [DK4R3]:** Workgroup didn't have a preference, should it need a defined term we can add it into the solution.

- e. There is the ability for the panel to make an ex-committee decision via email and the voting rules/quoracy are the same as if a decision was to be made in a meeting. It would be expected that Voting Members shall provide a response to any ex-committee request issued.
- f. The provision of a Proxy Vote will be classified as attendance and can be utilised for decision items outlined on the final agenda.

3. Ability to nominate alternates or to submit a Proxy Vote to avoid quoracy issues:

- a. Where the IGT UNC Modification Panel representatives are unable to attend, a nominated aAlternate 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 Code Administrator (who may ask for written confirmation as a follow up using the Proxy Voting form).
- b. Introduction of a new Proxy Vote (as a defined term). This is for where a representative cannot appoint an aAlternate to be present at the meeting (exception rather than the norm) and acts as a mechanism to avoid quoracy issues as it will provide any decisions via a submitted Proxy Vote form. The Voting Member may also issue a Proxy Vote to the Alternate and include the Code Administrator for transparency.
- b.c. Proxy Votes maybe issued prior to the meeting or during the meeting should the representative need to leave the meeting. The Panel Chairperson becomes the nominated proxy unless otherwise specified with the responsibility-process becoming part of the 'IGT UNC Modification Panel GuidelinesChairperson's Guidelines'
- e.d. The Proxy Vote Format format of the proxy will be a new term to clearly show the formatting is determined and maintained by the IGT UNC Code Administrator with finaland approved given by the IGT UNC Modification Panel. The Panel may ask the workgroup to conduct a review.
- d.e. Should the need for a decision be amended at the panel, e.g. a decision is no longer required, the submitted pProxy Vote will be discounted and classed as invalid. The Panel Chairperson may communicate this to the issuing Voting Member for awareness.
- f. Where discussions at the IGT UNC Modification Panel could vary a decision, the Voting Member may allow the Panel Chairperson to amend the original vote, where the permission is provided the Chair Person shall update the Voting Member directly of the change in decision. Where the Chairperson is not given this permission, the decision will either be deferred to the following meeting or issued to the Voting Members via email for an ex-committee decision. The note issued should contain the additional discussion points to give additional clarity.
- g. The Code Administrator will ensure that decision items are clearly marked on the IGT UNC Modification Panel agenda – any guidance on this will be included in the IGT UNC Modification Panel Guidelines



e.h. Where Proxy Votes are provided the IGT UNC Modification Panel minutes will note the receipt of these – any guidance on this will be included in the IGT UNC Modification Panel Guidelines

4. Appointing representatives for Pipeline Operators:

- a. Currently the representatives for the IGT UNC Modification Panel are arranged by the Independent Networks Association (INA), this ~~M~~modification does not seek to amend that process which has successfully ensured full representation at the IGT UNC Modification Panel for the Pipeline Operators.
- b. The solution outlined in the section 1 of the solution is to ensure there is some flexibility to take into consideration the unlikely event that all three Voting Members cannot be appointed via the INA.
- a.c. Should the Pipeline Operators be in a position where there is the possibility of only one representative then it would require the Pipeline Operators to complete a Modification to address this scenario.

Housekeeping amendments

- Panel Chairman to be renamed to Panel Chairperson as part of the development
- Chairman's Guidelines' to be renamed Chairperson's Guidelines as part of the development

Creation of the "IGT UNC Modification Panel Guidelines" ancillary document

- The principles outlined in points 1-4 in the solution have been outlined in greater detail in the ~~{~~ancillary} "IGT UNC Modification Panel Guidelines" document which will become a recognised document in the IGT UNC.
- The IGT UNC Modification Panel will be the decision makers on any edits to the document and will follow the Panel Majority for amendments (similar to how UNCC governs documents in the UNC).
- The Code Administrator will be responsible for version controlling and updating the document onto the IGT UNC website, this includes an annual review of the document.
- Where necessary the IGT UNC Modification Panel may ask the IGT UNC Workgroup to conduct a review of the document principles, this may coincide with the recommended annual review by the Code Administrator.
- 

## 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 Modification 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; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements 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 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

Five 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

- 1) An 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.

- 2) "IGT UNC Modification Panel Guidelines" accompanying guidelines document