





Modification	At what stage is this document in the process?
<h1>IGT140:</h1> <h2>Changes to the IGT Panel Rules</h2>	<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p><b>Purpose of Modification:</b></p> <p>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:</p> <p>Pipeline Operators and Pipeline Users</p>
	<p>Medium Impact:</p> <p>N/A</p>
	<p>Low Impact:</p> <p>N/A</p>

## Contents

1	Summary	3
2	Governance	4
3	Why Change?	4
4	Code Specific Matters	<a href="#">65</a>
5	Solution	<a href="#">75</a>
6	Impacts & Other Considerations	<a href="#">107</a>
7	Relevant Objectives	<a href="#">107</a>
8	Implementation	<a href="#">128</a>
9	Legal Text	<a href="#">128</a>
10	Recommendations	<a href="#">128</a>
11	Appendix 1	<a href="#">128</a>



Any questions?

Contact:

Code Administrator



[iGTUNC@gemse  
rv.com](mailto:iGTUNC@gemse<br/>rv.com)



020 7090 1044

Proposer:

Kirsty Dudley



[Kirsty.Dudley@eone  
nergy.com](mailto:Kirsty.Dudley@eone<br/>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 <sup>th</sup> 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:
  - Where there are three Pipeline Operators and three Pipeline Users representatives it will be a vote per person.
  - 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 but ensures a consistent quorum model is applied throughout the decision-making process.
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 – see appendix for information.

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.

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 Alternate 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.

Currently the quorum modelling only applies to the standard meeting, should any meeting be reconvened those in attendance are classed as quorate. This is an inconsistent decision-making approach compared to some other codes e.g. SPAA and the current REC drafting as they apply quoracy to all decision making. Without addressing the current quoracy gaps it could see the panel in a position where only a single constituency is in attendance and still classed as quorate. This wouldn't give the opportunity for balanced discussions and could (although hasn't in the past), lead to the panel being challenged on its decision-making practices. This Modification will seek to apply a consistent quoracy model to promote balanced decision-making but also to protect panel members from challenge where attendance doesn't cover all the constituencies the panel represents. The allowance of an Alternate and Proxy Vote is a mechanism to deliver quoracy and acts as an incentive to Voting Members to either attend or provide an Alternate/Proxy Vote to avoid unnecessary delays in decision making.

## 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 of Pipeline Operator or Pipeline User).

      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.
      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 is the ideal position), 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. The Code Administrator and/or the Panel Chairperson will arrange for reconvened meetings where necessary at a date/time which endeavours to meet quoracy requirements. Meetings can be rearranged multiple times between standard meetings where necessary to ensure they are quorate, and decisions are made.
- e. The provision of a Proxy Vote and/or the appointing of an Alternate will be classified as attendance towards meeting quoracy 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 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 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 Alternate to be present at the meeting (exception rather than the norm) and acts as a mechanism to try and avoid quoracy issues as it will deliver 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.
- c. Proxy Votes maybe issued prior to the meeting or during the meeting should the representative need to leave the meeting to avoid the meeting having to be reconvened due to quoracy issues. The Panel Chairperson becomes the nominated proxy unless otherwise specified (e.g. a named alternate) with the process becoming part of the 'IGT UNC Modification Panel Guidance'
- d. Proxy Vote Format will be a new term to clearly show the formatting and is maintained by the IGT UNC Code Administrator with final approval given by the IGT UNC Modification Panel. The panel may ask the workgroup to conduct a review. The form will be part of the annual document review to ensure it remains robust.



- e. 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. The Panel Chairperson should communicate this to the issuing Voting Member for awareness and the Code Administrator clearly note a decision was not required and Proxy Votes not utilised.
  - f. Where discussions vary the context and the decision making (which could be contradictory or misalign to the Proxy Vote submitted) the Chairperson will assess if the meeting is quorate without the Proxy Vote.
    - i. If it is, the decision making will continue, and the Proxy Vote will be deemed void and meeting minutes will be reflective of this.
    - ii. Where the assessment is the meeting will not be quorate. then it will need to be reconvened. Decisions can only be made where quoracy is met.
  - 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
  - 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 Guidance.
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 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.
  - 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 Guidance" 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 aim of the document is to provide accompanying clarity and not to repeat the legal text in the main IGT UNC drafting. Moreover, the document will point across to

relevant parts of the Code which will ensure that changes to the Code may not directly affect the document every time.

- 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 remit of panel changes will be to add clarity on approach but would not be to amend such things as voting rights, they will be in the main body of the code and will be updated via modifications only, same as today.
- 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	None

(i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	
(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

It is recognised that this Modification is not ideal (having a full panel would be), however the market is ever changing, and panels need to be agile and to be able to flex to the needs of its constituencies. The current rigid modelling is not working, and this Modification acts as an initial step to resolve the known issues without compromising the need to make decisions which are in the best interest of the Code and those who are acceded to it, as well as the end consumers who could be impacted by the decisions made

The modification links to relevant Objective D) and F) for the following reasons:

- The introduction of a voting approach which is allocated to a constituency rather than a person allows flexibility in the modelling so that multiple votes can be held by a single person (like the DSC Committee) and addresses the current issue of the underrepresented Shipper constituency, while still providing equal voting between the constituencies.
- It introduces a contingency for a scenario where the IGTs cannot be fully represented, although it is not presenting a risk currently the flexibility futureproofs for that scenario should it arise.
- By introducing a mechanism for votes to be cast without mandating attendance (like the SPAA for change board). It makes it easier for panel members, in the event they cannot secure an Alternate. Although it is recognised that panels cannot run on Proxy Votes alone the ability to be agile in decision making helps those on panel to cast decisions when attendance could be challenging and works towards avoiding quoracy issues.
- By only allowing decisions to be made where the panel is quorate (a Proxy Vote also counting in quoracy), this ensures balanced representation in the attendance and removes the opportunity to challenge panels integrity as well as aligning to other codes (like SPAA/REC). It also doesn't stop decision making from happening because meetings can be reconvened. It is however

## 8 Implementation

Five Working Days after the Authority decision.

## 9 Legal Text

~~To be supplied by the Pipeline Operators.~~ [Legal text can be found on the IGT UNC website here.](#)

## 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 demonstrate participation and attendance. Information provided by the Code Administrator as part of the July workgroup discussions.

Panel Members 2010-2021					
Pipeline User		Pipeline Operator		Large Transporter	
Company	Term	Company	Term	Company	Term
Scottish Power	2010 - 2012	Indigo Pipelines	2010 – 2021	WWU	2010 - 2012
E.ON	2010 - 2020	BUUK	2010 – 2021	National Grid	2012 - 2016
Npower	2010 - 2016	ESP	2010 – 2020	Cadent	2016 - 2019
SSE	2016 - 2019	Last Mile Gas	2020 – 2022	Vacancy	2019 - Present
Centrica (British Gas)	2012 - 2019				
Scottish Power	2019 - 2021				
Vacancy	2019 - Present				

- 2) “IGT UNC Modification Panel Guidelines” accompanying ancillary document – see separate document