

## Stage 01: Modification

At what stage is this document in the process?

0XXX: *(Joint Office to insert number)*

# UNC modification stakeholder engagement and Guidelines

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to introduce new steps into the Modification Rules to promote pre-modification stakeholder engagement through the introduction of a UNC Modification Proposal Guidance Document, additional time for critical friend activities and enhanced Panel powers in requiring further modification development



The Proposer recommends that this modification should be assessed by a Workgroup














High Impact:  
None



Medium Impact:  
All parties



Low Impact:  
None

Contents		 Any questions?
<b>1 Summary</b>	<b>3</b>	Contact: <b>Code Administrator</b>
<b>2 Why Change?</b>	<b>3</b>	 enquiries@gasgovernance.co.uk
<b>3 Solution</b>	<b>4</b>	 0121 288 2107
<b>4 Relevant Objectives</b>	<b>5</b>	Proposer: <b>Erika Melén</b>
<b>5 Implementation</b>	<b>6</b>	 Erika.melen@sgn.co.uk
<b>6 Impacts</b>	<b>6</b>	 07772 142226
<b>7 Legal Text</b>	<b>6</b>	Transporter: <b>Scotia Gas Networks name</b>
<b>8 Recommendation</b>	<b>6</b>	 As above
<b>About this document:</b>		 As above
This modification will be presented by the proposer to the panel on 19 November 2016.		Systems Provider: <b>n/a</b>
The panel will consider the proposer's recommendation and agree whether this modification should be granted self-governance status and referred to a workgroup for assessment.		 n/a
The Proposer recommends the following timetable:		 n/a
Initial consideration by Workgroup	04 December 2015	Additional contacts: <b>n/a</b>
Workgroup Report presented to Panel	17 March 2016	
Draft Modification Report issued for consultation	17 March 2016	 n/a
Consultation Close-out for representations	07 April 2016	 n/a
Final Modification Report available for Panel	08 April 2016	
UNC Modification Panel decision	21 April 2016	

# 1 Summary

## Is this a Self-Governance Modification?

This modification is proposed to under Self Governance procedures because it is not expected to have a material impact on the UNC Modification Rules since it only adds clarification of process and additional guidance; no existing rights are eroded.

## Why Change?

Under-developed UNC modifications lead to extensive assessment periods once they reach workgroups, which consumes industry time and effort. With the addition of targeted stakeholder engagement, either in workgroups or on a one-to-one basis, prior to the modification being raised this could be avoided saving valuable time and resources.

## Solution

1. To introduce a UNC Modification Proposal Guidance Document that sets out the minimum requirements for Proposers of UNC modifications.
2. To clarify that a minimum of 3 business days are available for critical friend activities between modification submission and circulation of Panel Papers.
3. To clarify UNC Panel powers in deferring a decision on under-developed modifications.

## Relevant Objectives

This modification will have a positive impact of promoting efficiency in the implementation of administration of the code by ensuring modifications are well developed prior to submission to the Panel. This will save both industry and UNC Secretariat time and effort during the formal modification procedures.

## Implementation

As soon as the modification template can be updated following a decision.

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

N/A

# 2 Why Change?

In recent years the focus on targeted stakeholder engagement has increased across the industry to the benefit of customers, parties and processes. Engagement at the right levels can greatly aid and guide potential process changes. Although the UNC has formal engagement through workgroups and consultations there is currently no formal process in place to encourage pre-modification engagement with relevant industry parties. We believe that such steps would greatly benefit the timely assessment and progression of potential modifications.

Recently Panel has been presented with some under-developed modifications that have not clearly demonstrated that it is a valid code matter and what the direct or in-direct impacts on parties are. This has in the past resulted in lengthy workgroup discussions and more recently, Panel deferring decision on a modification hence adding to the already significant timescales.

Please note, this is not suggested to hinder or delay the modification process by introducing red tape but to make the modification journey more efficient for all industry parties.

In this modification we propose creating additional industry guidance prior to and during the modification raising process, additional time to allow critical friend activities and to formalise Panel powers in order to request further development a modification prior to sending for workgroup assessment. For the avoidance of doubt, Panel will not have the power to reject modifications, only to refer them back to the Proposer for further development before progression in the normal way.

### 3 Solution

We propose a three stage solution:

1. Introduction of a UNC Modification Proposals Guidance Document. The document, published alongside this modification, sets out key steps which Proposers will have regard to when considering raising a change to the Code.
2. Clarifying the modification rules so that modifications shall be submitted to the Secretary not later than 8 business days prior to a meeting of the Panel to qualify for discussion at that meeting (subject to short notice items) but only be required for circulation to Panel and the industry 5 business days prior to the meeting to allow critical friend guidance. **In the event that a proposer cannot evidence the pre-engagement undertaken, the Secretary will be entitled to return a modification for further consideration before submitting it to the next scheduled Panel meeting.**
3. On receipt, Panel shall be entitled to request further development of a modification prior to taking a decision on the next step (e.g. issue to a workgroup or direct to Consultation). In such cases, Panel should clearly set out specific areas to be developed and any questions to be answered. For clarity – Panel may take this decision where the mod does not sufficiently justify that it is indeed a code matter, where the impacts have not been fully developed or other relevant circumstances but we do not intend to restrict their decisions by defining each instance in code.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	
Proposed charge(s) for application of User Pays charges to Shippers.	
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	

## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (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 arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This modification will have a positive impact on Objective f) Promotion of efficiency in the implementation and administration of the Code by ensuring modifications are well developed prior to submission to the Panel. This will save both industry and UNC Secretariat time and effort during the formal modification procedures.

## 5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

The Joint Office will update modification templates, which sit outside of the UNC, to include the revised guidance.

## 6 Impacts

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

No

## 7 Legal Text

### Text Commentary

tbc

### Text

To be provided at a relevant time in the modifications development

## 8 Recommendation

The Proposer invites the Panel to:

- Progress to Workgroup assessment