

UNC Workgroup Report	At what stage is this document in the process?
<h1>UNC 0615S:</h1> <h2>Representation on DSC Committees – amendment to include mid-year appointments</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>The proposal is to enable a mid-year change to DSC Committee Representation to enable parties to take up representation of their Class Category on the DSC Committees in the event that their representation is being facilitated by another Class Representative, or a vacancy is created by the retirement of an existing Committee Representative</p>	
	<p>The Workgroup recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>• subject to self-governance</li> <li>• proceed to Consultation</li> </ul> <p>The Panel will consider this Workgroup Report on <b>20 July 2017</b>. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact: Not applicable.</p>
	<p>Medium Impact: Not applicable.</p>
	<p>Low Impact: Shippers and Gas Transporters</p>

## Contents

1	Summary	3
2	Governance	3
3	Why Change?	4
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	5
7	Relevant Objectives	6
8	Implementation	7
9	Legal Text	7
10	Recommendations	7

## Timetable

### Modification timetable:

Initial consideration by Workgroup	27 April 2017
Amended Modification considered by Workgroup	27 April 2017
Workgroup Report presented to Panel	20 July 2017
Draft Modification Report issued for consultation	20 July 2017
Consultation Close-out for representations	11 August 2017
Final Modification Report available for Panel	14 August 2017
Modification Panel decision	17 August 2017



Any questions?

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## 1 Summary

### What

When drafting the initial DSC Committee representations, consideration was given to how to manage under representation in any Class of Representative. The modification enabled voting to be redistributed to other classes whilst maintaining a balanced representation.

The Voting process envisaged a once per year event that parties could be elected on to DSC Committees, however no consideration was given during the development of the proposal to a representative coming forward mid-year and wishing to represent their class from their own constituency members, or how to replace a Committee Representative that stands down mid-term.

### Why

The governance model is constituency based and it would be beneficial if all classes of parties were able to be represented by members of their own constituency – this would ensure that the views of those parties were fully reflected in the decisions of those committees. The current model doesn't facilitate a class of party wishing to be more engaged in the DSC management.

### How

This proposal sets out a transparent process to enable a Class Representative to take up the representation on the DSC Committees whilst at the same time establishing the retirement of the additional representation from outside their class, these business rules will also be used in the event that a DSC Committee Representative steps down mid appointment term.

## 2 Governance

### Justification for Self-Governance, Authority Direction or Urgency

Panel determined the modification is unlikely to have a material effect, while as the proposal affects the governance of the changes processes for the DSC and therefore may affect classes of parties, the changes are not material and do not change the intentions of maintaining a balanced representation on the DSC Committees.

Modification 0615S will therefore follow self-governance procedures.

### Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- proceed to Consultation

The Workgroup agreed with the Panel view on self-governance, that the modification is unlikely to have a material impact for the reasons set out above. The Workgroup agrees the modification is sufficiently developed to be issued to consultation.

### 3 Why Change?

Section D of the UNC includes Annex D-2 which sets out how voting on DSC Committees is established and how parties are represented. The Code introduces the concept of elected representatives for the DSC Committees and how and when those elections should be conducted. The rules also set out how, where there are insufficient parties coming forward for a Class of Representative, voting can be maintained in a balanced manner. The rules however do not envisage a party who wishes to take on the responsibility of representing their class of party taking on that role between elections or who may wish to step down mid-term and a replacement representative may be appointed.

### 4 Code Specific Matters

#### Reference Documents

UNC Section D, Annex D-2

#### Knowledge/Skills

No specific skills or knowledge required.

### 5 Solution

#### Within-Year Change of DSC Class Representative

##### Who can instigate a change of Representative?

- A class of party whose whole class of votes were transferred to another Class during the election process, or
- A party who wishes to take up a vacancy within their class of Representatives, either due to insufficient elected representatives having been appointed in the annual election cycle or the retirement of an existing elected representative.

##### When can a Within Year change be introduced to the DSC Committees?

This process can only be initiated prior to the 01 July in any appointment year, because the Joint Office expects to conduct an annual election process for all code committees, and adhoc elections should only be considered in exceptional circumstances. In the event that it is too close to the next election cycle, then the Representative's Standing Alternate will assume the role, until the annual election cycle.

##### What process should be followed?

A party who wishes to take up the representation of their class where representation has been transferred to another class, or there is a vacancy in that class, should make a request to the Joint Office to invoke a change of representation. The request must be accompanied by a proposer and a seconder.

On the retirement of an existing DSC Committee Representative, the Joint Office should consider whether to conduct an election for a new representative, giving consideration to the timeline between the

retirement taking effect and the next annual election cycle. If there is sufficient time, the Joint Office will begin the process to seek nominations for new representatives.

The Joint Office should notify the Single Point of Contacts (SPOC) for the affected Class (based on the currently confirmed Class for the DSC Committees), The Joint Office should also notify the affected substitute representative of the request to substitute representation.

The notification to the SPOCs of the affected Class should set out the details of the proposed representative and allow a period of time for consideration/consultation – a minimum of 15 calendar days should be allowed. Additionally, the notification should invite the represented class to consider whether they wish to put forward additional and/or competing candidates, which if there are more candidates than vacancies identified through this process then an election must be conducted by the Joint Office, if there are the same number of nominees to vacancies, then the Joint Office will notify the candidate representatives that they have been appointed.

The substitute representative will be notified at the end of the 15-day period of whether an election is to be held. If no election is required the substitute representative will retire immediately (as will any nominated standing alternate), if an election is required the substitute representative (or their standing alternate) will remain in place until the election is complete, and will then retire.

The Joint Office will conduct an adhoc election, if it is required, and it will follow the principles of the existing UNC Appointments Process, however the timeline could be accelerated to facilitate a timely transition to the new representative, with the agreement of the UNCC.

## 6 Impacts & Other Considerations

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

None identified.

### Consumer Impacts

None identified as this modification is clarifying the process for interim appointments to DSC Committee and is a governance change with no material impacts on any party.

Consumer Impact Assessment	
<i>(Workgroup assessment of proposer initial view or subsequent information)</i>	
Criteria	Extent of Impact
Which Consumer groups are affected?	<ul style="list-style-type: none"> <li>• None</li> </ul>
What costs or benefits will pass through to them?	Not applicable.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	Not applicable.

### Cross Code Impacts

No Cross Code impacts identified.

## EU Code Impacts

None.

## Central Systems Impacts

There are no systems impacts anticipated as this is a DSC Committee governance change only.

## Workgroup Impact Assessment

The Workgroup has assessed the modification and agrees that the changes proposed should provide a benefit to the administration of DSC Committees, by helping to maintain minimum quoracy levels and ensuring decisions are made in a timely manner.

## Rough Order of Magnitude (ROM) Assessment

Not applicable.

## 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) 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 furthers relevant object f) Promotion of efficiency in the implementation and administration of the Code. The change improves the governance of the DSC Committees by introducing

new rules to enable the fullest participation in the DSC Committees by permitting a change of representative between the annual nominations process. The documented process for a change of representative for within-year Class Substitute Representatives improves the governance arrangement by adding clarity and assurance that parties can step into their roles outside the current election process, if necessary and appropriate.

## 8 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.

## 9 Legal Text

Legal Text has been provided by Cadent and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## 10 Recommendations

### Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should proceed to consultation.