

UNC Modification Panel Proposals for the Assessment of Alternative Modifications

March 2021

Contents

1. Background & Purpose
2. Overview
3. Options for Assessing Alternatives and Voting Preferences

1. Background & Purpose

The Modification Rules originated from the commencement of the Transco Network Code (the Code) 01 March 1996

Extract from the Transco Network Code - Introduction 'A Network Code can change over time as experience is gained and business conditions vary. A GT Licence granted by Ofgas requires the transporter to define and operate a mechanism to control this process - the Modification Rules'.

Modification Rules and Alternative Modifications:

Where a Modification Proposal has been referred to a Workgroup and the Workgroup requests that the Modification Proposal should be amended but the Proposer of the Modification Proposal does not agree, any person (other than the Proposer) who is eligible to make an alternative Modification Proposal, may do so.

1. Background & Purpose continued

9.4.2 Where two or more Modification Proposals have proceeded through the Modification Procedures together (and neither proposal has been withdrawn and all work has not been discontinued following a decision of the Modification Panel in respect of either proposal) *the Modification Report shall, in addition to the analysis referred to in paragraph 9.4.1(b), provide an analysis as to which of the Modification Proposals would in the opinion of the Modification Panel better facilitate the achievement of the Relevant Objectives.*

2. Overview

- ▶ Following a presentation setting out the process for assessing alternative Modifications, Panel requested an action as follows:
 - ▶ Action: PAN12/01 BF, DF, PG to discuss potential options for considering Modifications with multiple alternatives.
- ▶ A meeting was held to discuss potential options and these are set out to seek views from Panel Members.
- ▶ It was noted that it is unlikely that one option can resolve the issues with identifying preferences and that a number of options depending on the complexity and number of alternatives could be adopted by Panel

3. Options for Assessing Alternatives and Voting Preferences

The background of the slide features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the slide, creating a modern, layered effect.

3.1 Option 1 - Existing Process

- ▶ Members to continue with a vote to identify a preferred option for implementation based on 1 vote per member across all alternatives.
- ▶ Considerations in favour:
 - ▶ Easy to administer
 - ▶ No changes required to the current process or *Modification Rules*
- ▶ Considerations against:
 - ▶ Lacks clarity in providing a recommendation where there are more than two alternatives

3.2 Option 2 - Preference list

- ▶ Members would be requested to provide an order of preference against each alternative, with a higher rated preference giving a lower numeric value to identify a preferred alternative e.g.

Alterantive	A	B	C	D	E
Member 1	2	1	5	3	4
Member 2	3	4	1	5	2
Member 3	1	2	3	5	4
Totals	6	7	9	13	10

- ▶ Easy to administer if submitted in advance of the meeting
- ▶ Provides a numeric weighting in favour of an alternative
- ▶ Suitable for multiple alternatives
- ▶ Considerations against:
 - ▶ Could be considered as leading Panel members views prior to Panel discussion
 - ▶ Excludes no vote cast or abstentions
 - ▶ How to manage short notice Member voting alternates if preference list is not provided
 - ▶ How to Manage a tied result
 - ▶ Might require a change to the Modification Rules

3.3 Option 3 - Transferrable Vote

- Members to continue with a vote to identify a preferred option for implementation based on 1 vote per member across all alternatives.
- If no clear alternative identified, the lowest rated alternative(s) would be removed from the next round of voting a members would vote again - repeat until a clear alternative(s) identified
- ▶ Considerations in favour:
 - ▶ Identifies a clear recommendation
 - ▶ Suitable for multiple alternatives
- ▶ Considerations against:
 - ▶ Complex to administer
 - ▶ How to Manage a tied result
 - ▶ Might require a change to the Modification Rules