

## Representation

### Draft Modification Report

#### 0312 - Introduction of Two-Thirds Majority Voting to the UNC Modification Panel

**Consultation close out date:** 19 May 2011  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** **National Grid Transmission**  
**Representative:** Chris Shanley  
**Date of Representation:** 18 May 2011

#### Do you support or oppose implementation?

Not in Support

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

We have some sympathies with the intent of this modification (looks to protect UNC Parties rights of appeal), however we believe that this proposal will add additional processes and complexity to the governance rules around Panel voting procedures. Given the wording of the Statutory Instrument (SI), Legal advice was sought in relation to the similar CUSC and BSC proposals, to clarify whether a proposal of this nature is legitimate. Discussions on this legal advice have highlighted that it is currently far from certain, whether this UNC proposal, which is seeking to introduce a higher Panel voting threshold for Significant Code Review (SCR) related proposals will have any affect. Therefore we do not support Modification Proposal 0312.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

There has been differing legal advice received for the similar modifications raised for BSC and CUSC and there is still continued uncertainty as to whether the Competition Commission would recognise the proposed changes to the way a Panel Majority is determined as part of the Panel recommendation to implement a proposal.

We also feel that a proposal of this nature should ideally apply to all of the main energy industry codes to ensure that the principals of consistency, as recently introduced through the Code Governance Review, are maintained.

0312  
Representation

---

26 April 2011

---

Version 1.0

---

Page 1 of 2

---

© 2011 all rights reserved

### **Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

Whilst the proposer contends that SCR related proposals should be subject to a greater degree of scrutiny and as such be required to clear a higher hurdle when seeking Panel support for implementation, we are not convinced that such differentiation is necessary or appropriate. Overall, we do not see the benefit of introducing additional complexity and processes to the UNC and therefore we disagree that this proposal promotes efficient administration of the UNC or secures effective competition.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

We do not support this modification, however if implemented we agree that it could be implemented immediately upon Authority decision.

### **Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

We note that the suggested legal text indicates that the intent of the proposal only applies to SCR and SCR related Modification Proposals and does not seek (as discussed in the modification) to capture other wider licence condition driven proposals.

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*