

UNC Modification Panel Assessment of Alternative Modifications

Joint Office of Gas Transporters

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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.

2. Overview

- ▶ Panel provides a determination recommending whether a Modification and its Alternative(s) should or should not be implemented and this is recorded in the Final Modification Report.
- ▶ The Modification Rules then require analysis to be provided as to which of the Modification Proposals would, in the opinion of the Modification Panel, better facilitate the achievement of the Relevant Objectives.
- ▶ Although not specified in the Modification Rules, it is custom and practice for Panel to be requested to give a preference vote when considering Modifications which have Alternative(s) as it provides a numeric weighting to Panel discussions and analysis.

3. Areas of Ambiguity

- ▶ What is the question being asked in the preference vote?
- ▶ Should Members be allowed to vote in favour for more than one Modification/Alternative when being asked to provide a preference?
- ▶ Should Members be allowed to vote in favour, against or no vote cast or as with implementation should only votes in favour to be recorded?

4. Current Interpretation

- ▶ Question for Panel - Does Modification XXXX better facilitate the achievement of the Relevant Objectives than Modification(s) XXXX.
- ▶ Members to continue Voting for one Modification as a preference (*the Modification Rules require Panel to advise which of the Modifications better facilitate the achievement of the Relevant Objectives*).
- ▶ Only Votes in favour to be recorded to highlight those Members that consider a Modification better facilitates the achievement of the Relevant Objectives.

5. Extracts from UNC

Panel Consideration of Alternatives

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.*

Implementation Votes

9.3.3 Upon receipt of the final Modification Report under paragraph 9.3.1 or 9.3.2 the Modification Panel shall assess whether the final Modification Report complies with paragraph 9.4, and if it is compliant, shall:

- (a) determine whether or not to recommend the implementation of the Modification Proposal to the Authority; and
- (b) submit to the Authority its determination under paragraph 9.3.3(a) and the factors which (in its opinion), justify its determination and which shall include details of the Modification Panel's reasoning for determining whether or not the Modification Proposal better facilitates achievement of the Relevant Objectives or not;