

**UNC Workgroup 0815S Minutes
DSC Committee Quoracy
Thursday 31 August 2022
via Microsoft Teams**

Attendees		
Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Angela Clarke	(ACI)	Xoserve
Ben Mulcahy	(BM)	Northern Gas Networks
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Guv Dosanjh	(GD)	Cadent
Helen Bennett	(HB)	Joint Office
Mark Jones	(MJ)	SSE
Michelle Brown	(MB)	Energy Assets
Richard Loukes	(RL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks
Vera Li	(VL)	Joint Office
Yvonne Reid-Healy	(YRH)	Joint Office

Copies of all papers are available at:

1.0 Outline of Modification

Steve Mulinganie (SM) explained the purpose of the Modification was to amend the minimum quoracy requirements for the Data Services Contract (DSC) Committees (Change Management and Contract Management) for both Shippers and Transporters from three to two, with the votes available being reduce from 7 to 6 in line with the Uniform Network Code (UNC) Modification Rules for the Modification Panel and UNC Committee.

SM advised that the previous issue of non-quorate meetings regarding this matter had now abated, due to an extra Shipper User Representative coming forward for the DSC Contract Management Committee from October onwards.

SM added that there was still a need for the Modification moving forwards, to address the non-quoracy risk, especially as many Shippers had now left the market, so the overall pool was considerably smaller.

Bob Fletcher (BF) concurred with these comments and said that in the past, there had always been more than the minimum numbers of members available to meet the quoracy stipulations, however, there is now a risk that should a member fail to attend and an alternate has not been appointed the meeting would be non-quorate.

Angela Clarke (ACI) asked how the process currently worked when a member resigned. BF explained that there were various rules managing this situation. In most situations where there is a standing alternate they would then be appointed as the new member for the remainder of that year. BF also advised that if there is a current vacancy parties could seek to be a member part way through the year, then this too would prompt the process for other parties to be nominated.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Consider potential for tied votes and how to mitigate this.

BF confirmed the rules state that there needs to be a majority to pass a vote, therefore a tied vote has not met the threshold to pass the vote.

Ellie Rogers (ER) advised that Xoserve had posed this question to understand if there was a greater risk to introduce a potential 'stalemate' situation. SM stated the Modification would not be changing the voting rules and ER asked if this needed to be included within the Modification from a clarity perspective. BF confirmed the rules were very clear and that a simple majority was needed for each voting procedure except in a few exceptional situations where a unanimous vote was required.

2.1.2. Consider imbalance between Shippers and Transporter voting arrangements and transferable votes for Shippers between classes.

Tracey Saunders (TS) stated she had concerns around the rules and the potential split and weighting of Transporter and Shipper votes, if the Modification was implemented. Due to the potential for a Shipper to hold a higher number of votes due to vote reallocation, where the Transporters only every have one vote each – should only two Transporters attend, they would be limited to two votes against a potential six votes for Shippers. TS added that she wanted more time to explore this area in greater depth, as if a Shipper held two votes each, there was the option for a Shipper to perhaps hold three or four votes at a meeting.

SM reiterated that the Modification was addressing the lack of quoracy issue and not the voting allocations. BF stated that the allocation was set during the User Representations Elections process where votes are reallocated – each member has the opportunity to request or nominate an alternate. This modification aimed to address a risk where a meeting might not be quorate because a member or alternate failed to attend at very short notice and was unable to nominate an alternate.

TS noted that each Transporter only holds one vote each and to have six votes this would involve Transporters having to find six attendees for each meeting. SM added that the solution would not change the existing voting principles in any way and BF added that the voting within the DSC Change and Contract Committees was undertaken via a collaborative approach based on the customer classes/constituencies implemented by Modification 0565A which was approved by Ofgem.

A protracted general discussion took place surrounding the voting principles and SM again reiterated that there would be no reallocation of votes, this modification aimed to align the minimum quoracy with the UNC Modification Panel. TS said she would still like to investigate the weighting of votes and if this could be altered via the quoracy numbers. TS stated that she and Ben Mulcahy (BM) would investigate this matter with the Joint Office and that TS would provide feedback at the next meeting.

<p>New Action 0801: Northern Gas Networks (TS/BM) and the Joint Office (YRH) to look at scenarios of vote weighting of Transporters and Shippers should the minimum quoracy requirement change to that proposed.</p>

Yvonne Reid-Healy (YRH) stated there were two aspects regarding this matter, one of quoracy and one of voting allocations. She noted that no DSC Change or Contract Management Committee meeting could commence without complete quoracy. YRH suggested perhaps a simpler solution would be to increase the Transporters members to three then that would address the potential weighting voting concerns.

SM said that he would be happy to re-write the Modification if it was deemed necessary in relation to the minimum Shipper members, i.e., two and three Transporter members with seven votes, but he again reiterated the Modification was only addressing the quoracy issue.

YRH proposed re-visiting the overall User Representations/Election process to explore if any changes were required regarding the nomination process. SM noted that if any changes were required, this would have to be sponsored and a new Modification raised or managed through the User Nomination process.

YRH stated that investigations had already commenced regarding the User Representatives communication procedure. BF advised that James Rigby at Xoserve, had previously sent an email to all the DSC Contract Managers when the User Nominations window was reopened to reignite the industry interest and appreciation of how important the Committees are with regards to industry decision making, and that this had been received positively.

New Action 0802: Joint Office (YRH) to investigate the current User Representatives/Election process to understand if there are options for promoting more shippers to engage in the process.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at: <https://www.gasgovernance.co.uk/0815>

3.0 Next Steps

SM advised he would request an extension from the October Panel to the November Panel to allow more discussion and debate.

BF proposed the next meeting would be confirmed for Thursday 13 October 2022 at 1.30 – 3.30pm.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
Thursday 13 October 2022 1:30 – 3.30PM		Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> • Standard Agenda Items to include: • Update on potential vote weighting Shipper/Transporter • User Representative/Election process

Action Table (as at 31 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0801	31/08/22	2.1.1.	Northern Gas Networks (TS/BM) and the Joint Office (YRH) to look at scenarios of vote weighting of Transporters and Shippers should the minimum quoracy requirement change to that proposed.	Northern Gas Networks (TS/BM)	October 2022	Pending
0802	31/08/22	2.1.1.	Joint Office (YRH) to investigate the current User Representatives/Election process to understand if there are options for promoting more shippers to engage in the process.	Joint Office (YRH)	October 2022	Pending