

**iGT UNC 07-02-01**

**For Decision**

## **Review and Development Processes**

### **Background**

Parties may raise Review Proposals and the Panel may decide that any matter or a Modification Proposal that has been submitted may be referred for Review. There is some ambiguity in the Modification Rules as to the process that should be followed when an issue is referred for Review or Development. This paper seeks to explain the requirements, sets out some of the options available to add clarity and asks the Panel to agree what its working practice should be where this is not fully detailed in the Modification Rules.

### **1. What is the difference between a Review Group and a Work Group?**

Work Groups will be established and dissolved by Panel Majority [5.1(b)] and according to the definition of a Work Group it should include representatives of both iGT UNC Operators and Pipeline Users. Again according to the definitions a Review Group is a Work Group that has been tasked to carry out a Review.

There does not seem to be any difference (in terms of Section L) between the two terms. The term Review Group is only used in relation to a Review whereas the term Work Group is also used in connection with other processes under the Modification Rules, for example, in relation to Development. However, no further detail about the role or responsibilities of a Work Group (over and above those attributable to a Review Group) is provided.

The use of two terms does not cause any issues in terms of the application of the requirements but may lead to confusion.

### **2. Who decides whether a matter should be referred to Review?**

The Panel may decide that any matter or Modification Proposal should be subject to review [16.2 and 15.5(a)]. If a matter (something other than a Modification Proposal) is referred by the Panel for review the iGT UNC Operators (or Gemserv on their behalf) shall raise a Review Proposal [16.3(a)]. If it is a Modification Proposal that is subject to review then this proposal will be deemed to be a Review Proposal [16.3(b)], i.e. a Review Proposal will not be prepared.

The Panel may decide that any Review Proposal submitted be referred to either a Review Group or a Work Group for progression [16.8(a)]. Where the Panel does not decide what should happen with a Review Proposal the iGT UNC Operators may [16.8(b)] refer the Review Proposal to a Work Group for consideration. Where a Review Proposal is not referred to a Review Group by either the Panel or the iGT UNC Operators it shall lapse and the Proposer shall be notified [16.8(c)].

Where something is referred to a Review Group by the Panel, the Panel would agree the terms of reference for that group in accordance with the requirements detailed in 15.9. However, where it is the iGT UNC Operators who refer the matter, they are responsible for setting the terms of reference [16.8(b)].

### 3. What happens once the Review has been completed?

Section L does not actually say how or when a Review is completed only that the Panel should determine the next steps in relation to the 'resultant work output produced by a Work Group which carried out a Review or Development' [15.5]. The options are the same as the initial decisions the Panel may make in relation to a Modification Proposal.

**Suggestion 1:** It is suggested that as a matter of working practice the Panel or the iGT UNC Operators (as appropriate) should set out within the terms of reference for the Review Group or Work Group the timescales for that Review, the deliverables that should be produced on completion of that review, and what should be done with those deliverables, i.e. presented to the Panel for further discussion in accordance with 15.5. A template for the terms of reference for Review Groups and Work Groups is included within this paper as Appendix 1 for consideration by the Panel.

**Suggestion 2:** In addition, it is recommended that as standard practice an update on progress for the Review is provided to the Panel at each meeting.

Once a Review for a Modification Proposal has been completed there are a number of possible outcomes:

- (a) No changes to the proposal have been recommended by the Review.
- (b) Changes to the proposal are recommended but the Proposer does not want to change his proposal.
- (c) Changes to the proposal are recommended and the Proposer wishes to amend his proposal.
- (d) Changes to the proposal are recommended and the Proposer wishes to amend his proposal. In addition an alternative proposal has been developed.

For outcome (a) and (b) the Modification Proposal would continue through the process in the normal way and the Panel would be asked to make a decision about how to proceed in line with the options in 15.5.

For outcome (b) another party could raise a Modification Proposal to take forward the recommendations of the Review. This proposal would not be an Alternative Modification Proposal (as it would not be raised in accordance with the timescales outlined in section 12) and would therefore be progressed separately. This may be different to the original intention of the Modification Rules when drafted; however, the current drafting of the requirements does not allow for an Alternative Proposal to be raised in these circumstances.

**Suggestion 3:** Clause 20.5 allows the Panel to vary any of the timescales for any of the activities described under the Modification Rules. Therefore, the Panel could decide that timescales for the submission of Alternative Proposals are varied when they are submitted in situations like those described in outcome (b) above.

For outcome (c) if the proposal has not yet been sent out for Consultation the Proposer can vary his proposal [13.3(b)] and this new varied proposal would replace the original proposal.

**Suggestion 4:** Although not explicitly stated within the rules it is suggested that the intention of the requirements is that the varied proposal [13.1(b)] would restart the process from section 10.1. Therefore once the Proposer has submitted a varied proposal other parties would be able to raise an Alternative Modification Proposal [12.1].

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If the proposal has already been sent out for Consultation then the Proposer would be able to submit a variation request in accordance with 13.1(c) which will then be distributed to all interested parties [13.2] and shall be submitted to the next Panel meeting for decision.

In addition for outcome (d) where the Proposer varies his proposal in line with 13.3(b) and notice is reissued in accordance with 10.1 another party may raise an Alternative Modification Proposal. However, where the Modification Proposal is varied in response to a variation request another party would not be able to raise an Alternative Modification Proposal and would instead have to raise a separate and independent Modification Proposal.

For Reviews that have been completed of Review Proposals (that are not also Modification Proposals) there are two possible outcomes:

- (a) Changes to the iGT UNC are recommended.
- (b) No changes to the iGT UNC are recommended.

For outcome (a) a party may raise a Modification Proposal in the usual way and this would progress through the process. For outcome (b) the process would terminate.

### 4. What is Development?

The definition of 'Development' is the 'examination in more detail and further development of a Modification Proposal pursuant to the process determined' by the Panel. The Panel determines the terms of reference for the Development [15.6] and may request that the iGT UNC Operators finalise any details in relation to the terms of reference. The Panel may also chose to appoint an existing Work Group to carry out the Development.

**Suggestion 5:** Detailed in the requirements there is no real difference between Review and Development in terms of what is performed during the process. It is recommended guidelines are agreed that the Panel would refer to when deciding whether a Modification Proposal should be subject to Development. These guidelines could set out the purpose and process of the Development, including timescales and expected deliverables.

### 5. Timescales

As mentioned previously there are no timescales detailed in the iGT UNC in relation to any of the activities that are performed by a Work Group or Review Group as part of the Review and Development processes or any decisions to be taken by the Panel or the iGT UNC Operators when submitting matters to these groups. For example, 16.8(c) states that a Review Proposal shall lapse if both the Panel and the iGT UNC Operators have been unable to agree that the proposal shall be submitted to a Review Group or a Work Group for Review. However, there are no timescales given for either the Panel's or the iGT UNC Operators' decision so it is unclear at what point the proposal would lapse.

**Suggestion 6:** It is suggested that timescales are agreed where appropriate for decisions to be taken by the Panel or the iGT UNC Operators in relation to the Review process.

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## 6. Recommendation

The Panel is invited to:

- **CONSIDER** the suggestions detailed above and **AGREE** which if any should be implemented.
- **AGREE** the template terms of reference, Appendix 1, for use.

Isabel Scott-Skinner  
iGT UNC Representative  
13 June 2007

*List of appendices*

Appendix 1 – Review Group and Work Group template Terms of Reference

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## Appendix 1 - Review Group and Work Group template Terms of Reference

### Template Terms of Reference

[insert title of Review Proposal, Modification Proposal or matter subject to Review]

#### Purpose

A [Review/Work] Group is required to:

1. [insert details of why the group has been established and what the group should achieve by performing the Review]

#### Background

[insert text explaining the background to the Review, including details of why it is considered that the matter, Modification Proposal or Review Proposal should be subject to Review]

#### Scope and Deliverables

The [Review/Work] Group is asked to deliver:

1. A final report outlining the findings of the group, including recommendations for any changes to the iGT UNC.
2. [include details of what other deliverables the group should produce]

Reports of progress will be provided to the iGT UNC Modification Panel at each meeting held throughout the period of the Review.

#### Limits

The [Review/Work] Group will consider:

1. What changes, if any, should be made to the iGT UNC to address the matter that is subject to Review.
2. What changes, if any, should be made to [insert details of any related documents] to address the matter that is subject to Review.
3. [include details of any other items that the group should consider]

The [Review/Work] Group will not concern itself with:

1. [Details of any matters which the Panel considers are out side of the scope of the review]

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## Composition

Any iGT UNC Operator, Pipeline User, Affected Person, the Ofgem Representative, the Consumer Representative, the Large Suppliers Representative or the Large Transporters Representative may attend any meeting of the [Review/Work] Group.

A [Review/Work] Group meeting will be quorate providing at least [insert number] iGT UNC Operators and [insert number] User representatives are present.

The Review Group may invite specialists to attend as necessary

## Information Sources

1. [Include details of any information sources that the group may use when performing its Review]

## Timetable

- Length of Review – the Review should be completed within [insert number] months of the Panel's determination to submit a matter for Review
- Frequency of meetings – meetings shall be held at least [insert frequency, e.g. monthly]
- Meetings will be administered by the iGT UNC Operators and conducted in accordance with the Chairman's Guidelines

## Approval

These terms of reference are subject to approval by the [Panel/iGT UNC Operators]. However, the [Review/Work] Group may recommend changes to the terms of reference if required.