

## **Code Governance Review Phase 2 – illustrative licence drafting**

### **APPENDIX 4: Gas Transporter Standard Licence Conditions**

#### ***Condition 9: Network Code and Uniform Network Code***

##### Transportation Arrangements

1. The licensee shall establish transportation arrangements, pursuant to paragraphs 2 and 5 of this condition, in respect of matters other than those to which relate, are calculated, consistent with the licensee's duties under section 9 of the Act, to facilitate the achievement of the following objectives –
  - a. the efficient and economic operation of the pipe-line system to which this licence relates;
  - b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters;
  - c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;
  - d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers;
  - e. so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers;
  - f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition; and
  - g. compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators,
- 1A. In paragraph 1 sub-paragraph (e), "domestic customer supply security standards" means, subject to paragraph 1B,
  - (a) the availability of a supply of gas which would equal the peak aggregate daily demand for gas by the relevant gas supplier's current domestic customers which, having regard to historical weather data derived from at least the previous 50 years and other relevant factors, is likely to be exceeded (whether on one or more days) only in 1 year out of 20 years; and
  - (b) the availability of supplies of gas-
    - (i) over a year which would equal the aggregate annual demand for gas by those customers; and
    - (ii) over the first six months of a year which would equal the aggregate demand for gas by those customers during such a six month period,which, in each case, having regard to such data as aforesaid and other relevant factors, is likely to be exceeded only in 1 year out of 50 years.

1B. For the purposes of paragraph 1A, “daily” means over a period beginning at 6am on one day and ending immediately before 6am on the following day and “year” means a period of 12 months beginning with 1 October; and if, after consultation with all gas suppliers, gas shippers and gas transporters, with the Health and Safety Executive and the National Consumer Council, the Authority is satisfied that the domestic supply security standard would be adequate if paragraph 1A were modified-

- (a) by the substitution, in paragraph 1A(a) or (b), of a reference to data derived from a period of less than the 50 previous years;
- (b) by the substitution in paragraph 1A(a) of a higher probability than the 1 in 20 years mentioned in that paragraph; or
- (c) by the substitution in paragraph 1A(b) of a higher probability than the 1 in 50 years mentioned in that paragraph,

the Authority may, subject to paragraph 1C, make such modifications by notice which-

- (i) is given and published by the Authority for the purposes of this condition generally; and
- (ii) specifies the modifications and the date on which they are to take effect.

1C. Paragraph 1A(a) shall only be modified if, at the same time, the Authority makes similar modifications to-

- (a) paragraph 2(b) of standard condition 16 (Pipe-line System Security Standards); and
- (b) sub-paragraph (b) of the definition of “security standards” in standard condition 1 (Definitions and Interpretation) of the standard conditions of gas shippers’ licences.

#### *Network Code*

- 2. The licensee shall prepare a document (the “**network code**”) setting out (together with the terms of any other arrangements which the licensee considers it appropriate to set out in the document) the terms of the arrangements made in pursuance of paragraph 1 save in so far as they relate to matters regulated by standard condition 4B (Connection Charges etc) or 4C (Charging Gas Shippers – Supplemental Connection Charges) or are contained in such an agreement, or an agreement of such a class or description, as may be designated by the Authority for the purposes of this condition.
- 3. Where the holder of this licence also holds, in the same legal entity, one or more other gas transporter licences for relevant gas transporters, it may apply to the Authority for written consent to prepare a single network code in respect of the pipe-line systems to which those licences relate, which consent may be granted subject to such conditions as the Authority may direct.
- 4. The network code shall incorporate by reference the terms of the uniform network code except where the Authority consents otherwise in writing; and references in the conditions of this licence to the network code include the uniform network code (as may be varied from time to time) as so incorporated, unless otherwise stated.

#### *Uniform Network Code*

- 5. The licensee shall, together with the other relevant gas transporters, prepare a document (the “**uniform network code**”) setting out:
  - a. the terms of transportation arrangements established by the licensee and other relevant gas transporters, to the extent that such terms are common, or are not in conflict, between relevant gas transporters; and

- b. the network code modification procedures established pursuant to paragraph 6 including procedures required by paragraphs 12A to 12G.

5A. The licensee shall use reasonable endeavours to facilitate any improvements to the process by which responsibility for gas supply is transferred between gas suppliers

#### *Network Code Modification Procedures*

6. The licensee shall, together with the other relevant gas transporters, establish and operate procedures (“**network code modification procedures**”), for the modification of the uniform network code and/or of any network code prepared by or on behalf of each relevant gas transporter (including modification of the network code modification procedures themselves) so as to better facilitate, consistent with the licensee's duties under section 9 of the Act, the achievement of the relevant objectives.

7. The network code modification procedures shall provide for:

- a. a mechanism by which
  - i. the uniform network code; and
  - ii. each of the network codes prepared by or on behalf of each relevant gas transporter,  
may be modified;
- b.
  - i. the making of proposals for the modification of the uniform network code in accordance with paragraph 8; and/or
  - ii. the making of proposals for the modification of a network code prepared by or on behalf of a relevant gas transporter in accordance with paragraph 9(a);
- c. the making of alternative modification proposals in accordance with paragraphs 8(b) and 9(b);
- d. the giving of adequate publicity to any such proposal including, in particular, drawing it to the attention of all relevant gas transporters and all relevant shippers and sending a copy of the proposal to any person who asks for one;
- dA. proper evaluation of the suitability of the self governance route (in accordance with paragraph 12D) for a particular modification proposal;
- dB. during a significant code review phase, proper evaluation of the relevance of the significant code review to a particular modification proposal;
- e. the seeking of the views of the Authority on any matter connected with any such proposal;
- f. the consideration of any representations relating to such a proposal made (and not withdrawn) by the licensee, any other relevant gas transporter, any relevant shipper, or any gas shipper or other person likely to be materially affected were the proposal to be implemented;
- g. a proposed implementation date to be either:
  - (i) in accordance with any direction(s) issued by the Authority under paragraph 7(k)(iii); or
  - (ii) where no direction has been issued by the Authority under paragraph 7(k)(iii), such as to enable any modification proposal to be made as soon as practicable after receipt of a direction under paragraph 12(b);

- h. establishing and maintaining, in accordance with such procedures for appointment or election as may be specified, a panel (the “panel”) which is to be responsible, by way of proceedings as may be specified, for the governance and administration of the uniform network code;

ha. arrangements for a secretarial or administrative person or body, as specified in the uniform network code, to perform the role of code administrator (the “code administrator”). In addition to any powers, duties or functions set out in the uniform network code, the code administrator shall:

- i. together with other code administrators, publish, review and (where appropriate) amend from time to time the Code of Practice approved by the Authority (any amendments to the Code of Practice are to be approved by the Authority);
- ii. facilitate the network code modification procedures;
- iii. have regard to, and in particular (to the extent relevant) be consistent with the Principles contained in, the Code of Practice; and
- iv. provide assistance, insofar as is reasonably practicable and on reasonable request, to parties (including, in particular, small participants and consumer representatives) that request assistance in relation to the uniform network code including, but not limited to, assistance with:
- drafting a modification proposal;
  - understanding the operation of the uniform network code;
  - their involvement in, and representation during, the modification procedure processes (including but not limited to code panel, and/or workgroup meetings);
  - accessing information relating to modification proposals and/or modifications.
- i. where the Authority accepts that the uniform network code or a network code prepared by or on behalf of a relevant gas transporter may require modification as a matter of urgency, the exclusion, acceleration or other variation, subject to the Authority’s approval, of any particular procedural steps which would otherwise be applicable;
- j. modification proposals made by the Authority or the licensee in accordance with paragraphs 8(a)(i) and 9(a)(i):
- (i) to be accepted into the network code modification procedures by the panel;
  - (ii) where they are raised by the licensee, not to be withdrawn without the Authority’s prior consent;
  - (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 7(k);
- k. compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification which the Authority reasonably considers is necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators) for the:
- (i) licensee to raise a modification proposal; and/or
  - (ii) completion of each of the procedural steps outlined in this paragraph 7, to the extent that they are relevant; and/or

- (iii) implementation of a modification; and
  - l. each of the procedural steps outlined in this paragraph 7, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 7(k), and
  - m. the procedures for the modification of the network code to be consistent with the Principles set out in the Code of Practice, to the extent that they are relevant.
8. In respect of the uniform network code:
- a. a modification proposal may be made by the following:
    - i. the licensee;
    - ii. any other relevant gas transporter;
    - iii. any relevant shipper identified in the network code modification procedures as being entitled to propose a modification;
    - iv. any other relevant person (a “**third party participant**”) identified (individually or as a member of a class of persons) in the network code modification procedures as being entitled to propose a modification; and/or
    - v. the Authority (in relation only to modifications which it reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators); and
  - b. where a modification proposal has been made under paragraph 8(a) an “**original proposal**”) alternative modification proposals may be made, in respect of any such original proposal, by any of the parties listed in paragraph 8(a) with the exception of the person who made the original proposal.
9. In respect of each network code (excluding the terms of the uniform network code incorporated within it):
- a. a modification proposal may be made by one of the following:
    - i. the licensee, to the extent that the modification proposed relates to the pipe-line system to which this licence relates;
    - ii. any relevant shipper identified in the network code modification procedures as being entitled to propose a modification;
    - iii. a third party participant; or
    - iv. the Authority (in relation only to modifications which it reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators); and
  - b. where a modification proposal has been made under paragraph 9(a) in respect of any such original proposal, by any of the parties listed in paragraph 9(a) with the exception of the person who made the original proposal.

*Modification of Network Code and the Uniform Network Code*

10. The licensee shall not make or permit any modification to the network code or to the uniform network code except:
- a. to comply with paragraph 12(b)(i) or 13;
  - b. with the written consent of the Authority;
  - c. in accordance with paragraph 12D (the “**self governance route**”); or

d. in accordance with paragraph 12G (the “fast track self governance route”).

and shall furnish the Authority with a copy of any such modification made.

11. Where:

- a. the Health and Safety Executive have given a notice to the licensee in pursuance of this paragraph referring to a matter relating to the protection of the public from dangers arising from the conveyance of gas through the pipe-line system to which this licence relates; and
- b. a modification to the network code and/or the uniform network code could, consistent with the relevant objectives, appropriately deal with the matter,

the licensee shall propose such a modification in accordance with the network code modification procedures, and any requirement that a modification be such as to better facilitate the achievement of the relevant objectives shall be treated as met if the modification is consistent with those objectives.

12. Where a proposal is made in accordance with the network code modification procedures to modify the network code or the uniform network code the licensee shall:

- a. except in the case of a modification falling within the scope of paragraph 12G, as soon as is reasonably practicable, and no later than the time specified in the network code modification procedures, submit a report to the Authority:
  - i. giving particulars of the proposal;
  - ii. where an alternative proposal is made in respect of the same matter as the original proposal, giving particulars of that alternative proposal;
  - iii. giving particulars of any representations by the licensee, any relevant shipper or any other person with respect to those proposals;
  - iv. including a recommendation (or, in the case of a proposal falling within the scope of paragraph 12D, a determination) by the Panel as to whether any proposed modification should or should not be made, and the factors which (in the opinion of such body) justify the making or not making of a proposed modification, which shall include:
    - (aa) a detailed explanation of whether and, if so how, the proposed modification would better facilitate the achievement of the relevant objectives; and
    - (bb) where the impact is likely to be material, the evaluation of the proposed modification in respect of the relevant objectives shall include an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time; and
  - v. giving such further information as may be required to be given to the Authority by the network code modification procedures; and
- b. without prejudice to paragraph 12F, except in the case of a modification falling within the scope of paragraph 12D or 12G, comply with any direction of the Authority
  - (i) to make a modification to the network code and/or the uniform network code in accordance with a proposal described in a notice given to the Authority under paragraph 12(a) which, in the opinion of the Authority, will, as compared to the existing provisions of the network code and/or (as the case may be) the uniform network code or any alternative proposal, better facilitate, consistent with the licensee's duties under section 9 of the Act, the achievement of the relevant objectives; or

- (ii) to revise and re-submit a report provided in accordance with paragraph 12(a) where the Authority determines that it cannot properly form an opinion on the approval of the modification proposal in accordance with paragraph 12(b)(i).

#### *Significant code reviews*

12A. The network code modification procedures shall provide that proposals for the modification of the network code and/or the uniform network code falling within the scope of a significant code review may not be made during the significant code review phase, except:

- a. where the Authority determines that the modification proposal may be made, having taken into account (among other things) the urgency of the subject matter of the proposal; or
- b. at the direction of the Authority.

12B. The network code modification procedures shall provide that where a modification proposal is made during a significant code review phase the panel shall:

- (a) unless exempted by the Authority, notify the Authority as soon as practicable of:
  - i. any representations received in relation to the relevance of the significant code review; and
  - ii. the panel's assessment of, whether the proposal falls within the scope of the significant code review and its reasons for that assessment; and
- (b) if the Authority so directs, not proceed with the modification proposal until the significant code review phase has ended.

12C. The network code modification procedures shall provide that if within twenty-eight (28) days after the Authority has published its significant code review conclusions, the Authority issues to the licensee:

- a. directions, the licensee shall comply with those directions;
- b. a statement that no directions under sub-paragraph (a) will be issued in relation to the network code and/or the uniform network code, the licensee shall treat the significant code review phase as ended;
- c. neither directions under sub-paragraph (a), nor a statement under sub-paragraph (b), the significant code review phase will be deemed to have ended.

The Authority's published conclusions and directions to the licensee/relevant gas transporter(s), will not fetter the voting rights of the members of the panel or the procedures informing the recommendation described at paragraph 12(a)(iv).

#### *Self governance*

12D. The network code modification procedures shall provide that modification proposals shall only be implemented without the Authority's approval pursuant to this paragraph 12D where:

- a.
  - (i) in the view of the panel, the modification proposal meets all of the self governance criteria and the panel has submitted to the Authority in respect of the modification proposal and not withdrawn a self governance statement; or
  - (ii) if a self governance statement has not been made, or has been withdrawn, the Authority has determined that the self governance criteria are satisfied and the modification proposal is suitable for the self governance route; and

- b. unless otherwise exempted by the Authority, the panel has sent copies of all consultation responses to the Authority at least seven (7) days before the panel intends to make its determination under paragraph 12D(d); and
- c. the Authority has not directed that the Authority's decision is required prior to the panel's determination under paragraph 12D(d); and
- d. the panel has, no earlier than seven (7) days after sending the consultation responses referred to at paragraph 12D(b), determined that the modification proposal should be implemented on the basis that it would, as compared with the then existing provisions of the network code and/or the uniform network code and any other modifications proposed in accordance with paragraph 8(b), better facilitate the achievement of the relevant objective(s); and
- e.
  - (i) no appeal has been raised up to and including [15 / 10] working days after the publication of the panel's determination under paragraph 12D(d) in respect of such modification proposal in accordance with paragraph 12E; or
  - (ii) an appeal has been raised in respect of such a modification proposal in accordance with paragraph 12E and the Authority has not quashed the panel's determination referred to at paragraph 12D(d) of this condition (and either remitted the relevant modification proposal back to the panel for reconsideration or taken the decision on the relevant modification proposal itself following the appeal).

12E. The network code modification procedures shall provide that those persons set out at paragraphs 8(a) and 9(a) (as applicable) may appeal to the Authority the approval or rejection by the panel of a modification proposal falling under the self governance route, provided the appeal has been made up to and including [15 / 10] working days after the publication of the approval or rejection and in accordance with the network code modification procedures and, in the opinion of the Authority:

- a.
  - (i) the appealing party is likely to be unfairly prejudiced by the implementation or non-implementation of that modification proposal; or
  - (ii) the appeal is on the grounds that:
    - (1) in the case of implementation, the modification may not better facilitate the achievement of at least one of the relevant objectives; or
    - (2) in the case of non-implementation, the modification may better facilitate the achievement of at least one of the relevant objectives; and
- b. the appeal is not brought for reasons that are trivial or vexatious, nor does the appeal have no reasonable prospect of success.

12F. The network code modification procedures shall provide that:

- a. where an appeal has been raised in respect of a modification proposal in accordance with paragraph 12E that modification proposal shall be treated in accordance with any decision and/or direction of the Authority following that appeal;
- b. if the Authority quashes the panel's determination referred to at paragraph 12D(d) of this condition and takes the decision on the relevant modification proposal itself following an appeal in accordance with paragraph 12E, the panel's determination of that modification shall be treated as a recommendation under sub-paragraph 12(a)(iv).

12G. The network code modification procedures shall provide that modifications shall only be implemented without the Authority's approval pursuant to this paragraph 12G where:



- a. in the unanimous view of the panel, the proposed modification meets all of the fast track self governance criteria;
  - b. the panel unanimously determines that the modification should be made;
  - c. the panel has sent copies of a fast track self governance statement to the persons named in paragraphs 8(a) and 9(a) (as applicable) and has not received any objections to the proposed modification in the fifteen (15) working days immediately following the day on which the fast track self governance statement was sent; and
  - d. the panel has sent copies of a fast track self governance statement to the Authority and in the fifteen (15) working days immediately following the day on which the fast track self governance statement was sent, the Authority has not directed that the proposed modification may not be made under this paragraph 12G.
13. Where any directions are given to the licensee under section 19 or 21(1) of the Act, the licensee shall make such modifications to the network code and/or the uniform network code as may be necessary to enable the licensee to comply with the directions under section 19 or 21(1) of the Act without contravening Standard Condition 4E (Requirement to Enter into Transportation Arrangements in Conformity with the Network Code).
  14. The licensee shall provide a copy of the network code and the uniform network code as modified from time to time on a web-site freely available to all interested parties (the web-site address of which shall be given adequate publicity).

#### *Determinations by the Authority*

15. Where a provision of the network code and/or the uniform network code requires that, in circumstances specified in the provision, a determination by the licensee pursuant to that provision in a particular case should be such as is calculated to facilitate the achievement of the relevant objectives, any question arising thereunder as to whether the licensee has complied with that requirement shall be determined by the Authority.
16. The network code modification procedures shall provide that any question arising under those procedures as to:
  - a. whether a gas shipper or other person is likely to be materially affected by a proposal to modify the network code and/or the uniform network code were it to be implemented; or
  - b. whether representations relating to such a proposal and made in pursuance of the rules have been properly considered by the licensee;shall be determined by the Authority.
17. Following a direction under paragraph 12(b), the implementation date may be altered with the consent of, or as directed by the Authority.

#### *Joint Governance Arrangements*

18. The licensee shall:
  - a. together with all other relevant gas transporters, establish, develop and operate (or otherwise procure the operation of (including without limitation on a sub-contracted basis)) arrangements ("**joint governance arrangements**") for:
    - i. the administration of the network code modification procedures;
    - ii. giving effect to the provisions of Standard Conditions 4 (Charging of Gas Shippers - General) and 4A (Obligations as Regards Charging Methodology) relating to the administering of the coordination of the modification of the licensee's and the other

- relevant gas transporters' respective charges or reserve prices or charging methodologies (as the case may be);
  - iii. the administration of such matters as are provided for in the uniform network code to be implemented by the relevant gas transporters on a common, joint or coordinated basis;
  - iv. so far as is consistent with sub-paragraphs (i) to (iii), the promotion of efficiency in the implementation and administration of the network code and/or uniform network code; and
  - v. such other matters as they may decide, subject to their licence and statutory obligations;
- b. enter into an agreement ("**JGA agreement**") with the other relevant gas transporters, providing for the establishment and operation of the joint governance arrangements;
  - c. provide to the Authority a copy of the JGA agreement and each amendment thereof; and
  - d. publish a copy of the JGA agreement as modified from time to time, with the exception of information agreed in writing as being confidential by the Authority.
19. The joint governance arrangements shall, without limitation, be such as are calculated, consistent with the efficient discharge of each relevant gas transporter's obligations under the Act and its respective licence:
- a. to ensure compliance with the network code modification procedures;
  - b. so far as consistent with sub-paragraph (a), to promote efficiency in the administration of the network code modification procedures and the other matters subject to the JGA agreement; and
  - c. to avoid undue discrimination or preference as between the relevant gas transporters.

*Miscellaneous*

20. If the Authority so consents, this condition shall have effect as if the definition of "**transportation arrangements**" in Standard Condition 1 (Definitions and Interpretation) referred only to gas consisting wholly or mainly of methane.

21. In this condition "**relevant gas transporter**" shall mean the holder of a GT licence, for whom this condition is in effect.

22. Without prejudice to any rights of approval, veto or direction the Authority may have, the licensee shall use its best endeavours to ensure that procedures are in place that facilitate its compliance with the requirements of this condition, and to create or modify industry documents including, but not limited to, the uniform network code and industry codes where necessary no later than [1 July 2013].

23. In this condition:

"Code of Practice" means the Code Administration Code of Practice approved by the Authority and:

- a. developed and maintained by the code administrators in existence from time to time; and
- b. amended subject to the Authority's approval from time to time; and
- c. re-published from time to time.

"directions" means, in the context of paragraph 12C(a), direction(s) issued following publication of significant code review conclusions which shall contain:

- a. instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;
- b. the timetable for the licensee to comply with the Authority's direction(s); and
- c. the Authority's reasons for its direction(s).

"fast track self governance criteria" means a proposal that, if implemented,

- a. is unlikely to have a material effect on:
  - i. existing or future gas consumers;
  - ii. competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;
  - iii. the operation of one or more pipe-line system(s);
  - iv. matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
  - v. the uniform network code governance procedures or the network code modification procedures;
- b. is unlikely to discriminate between different classes of parties to the uniform network code / relevant gas transporters or gas shippers; and
- b. is properly a housekeeping modification required as a result of some error or factual change, including
  - i. updating names or addresses listed in the network code and/or the uniform network code;
  - ii. correcting minor typographical errors;
  - iii. correcting formatting and consistency errors, such as paragraph numbering; and
  - iv. updating out of date references to other documents or paragraphs.

"fast track self governance statement" means the statement made by the panel and published in accordance with paragraph 12G:

- a. confirming that, in its unanimous opinion, the fast track self-governance criteria are met and the modification is suitable for the fast track self-governance route; and
- b. stating that the modification will not be made if any person to whom the statement was sent objects within fifteen (15) working days and providing instructions on how to make any objection known; and
- c. setting out the revised legal text showing the changes to be made.

"self governance criteria" means a proposal that, if implemented,

- a. is unlikely to have a material effect on:
  - vi. existing or future gas consumers;

- vii. competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;
- viii. the operation of one or more pipe-line system(s);
- ix. matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- x. the uniform network code governance procedures or the network code modification procedures; and

b. is unlikely to discriminate between different classes of parties to the uniform network code / relevant gas transporters or gas shippers.

“self governance statement” means the statement made by the panel and submitted to the Authority in accordance with paragraph 12D(a)(i);

- a. confirming that, in its opinion, the self governance criteria are met and the modification is suitable for the self governance route; and

(b) the panel’s reasons for that opinion.

The inclusion of this statement within the formal minutes of a panel meeting, sent to the Authority within [6] working days of that meeting, shall be taken to have fulfilled the requirement to submit this statement to the Authority.

“significant code review” means a review of one or more matters which the Authority considers are likely to:

- a. relate to the network code and/or the uniform network code (either on its own or in conjunction with other industry codes); and
- b. be of particular significance in relation to its principal objective and/or general duties (under section 4AA of the Act), statutory functions and/or relevant obligations arising under EU law; and

concerning which the Authority has issued a notice to the parties listed in paragraphs 8(a) and 9(a) (as applicable) (among others, as appropriate) stating:

- i. that the review will constitute a significant code review;
- ii. the start date of the significant code review; and
- iii. the matters that will fall within the scope of the review.

“significant code review phase” means the period commencing on the start date of a significant code review as stated by the Authority, and ending in one of the following ways:

- a. on the date on which the Authority issues a statement that no directions will be issued in relation to the uniform network code; or
- b. if no statement is made on the date on which the licensee has made a modification proposal in accordance with directions issued by the Authority; or
- c. immediately if neither a statement nor directions are issued by the Authority within (and including) twenty eight (28) days from the Authority’s publication of its significant code review conclusions.

“small participant” means

- a. a shipper, a supplier, or new entrant to the gas market in Great Britain that can demonstrate to the code administrator that it is resource-constrained and, therefore, is in particular need of assistance;
- b. any other participant or class of participant that the code administrator considers to be in particular need of assistance; and
- c. a participant or class of participant that the Authority has notified the code administrator as being in particular need of assistance.