



**Code Modification Forum
Terms of Reference**

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1. Introduction

The Code of Operations governs the respective rights of the Transporter and Shippers and obligations with regard to the Natural Gas Transportation System for both Distribution and Transmission. The Code of Operations was developed by The Transporter and approved by the Commission for Energy Regulation (**‘the Commission’**) following consultation with industry. Part I of the Code describes the modification process and establishes the Code Modification Forum (**‘the Forum’**). The Forum is the primary platform for the discussion of all Shipper-related issues required in the Irish Wholesale Natural Gas Market and facilitates modifications to the Code of Operations.

The objective of the Forum is to ensure that the rules, frameworks and arrangements support the needs of the competitive market in a manner that is fair, transparent, effective and commensurate with the size of the Irish natural gas industry. The Commission holds the position of the chair and Gas Networks Ireland (**‘the Transporter’**) has been appointed as secretariat. The Transporter is also responsible for the development, design and implementation of all approved modifications and arrangements in areas such as IT systems, procedures and contractual arrangements. Any member of the Forum has the right to submit a Code Modification Proposal to the Forum.

The Forum may make comments and recommendations to the Commission on any of the areas set out above. The Commission is responsible for approving the final overall arrangements, having regard to the views of the Forum.

2. Document Structure

The purpose of this document is to define the terms of reference of the Forum, including the assignment of roles and responsibilities to the respective parties in order to support the efficient operation of the Forum.

The Code of Operations (Part I, Section 1) provides the framework upon which the terms of reference contained within this document are built. While every effort has been made to ensure that the terms of reference are aligned with the provisions of the Code, it should be noted that the Code shall take precedence over the terms of reference in the case of any discrepancy arising.

The Terms of Reference document is divided in to two distinct areas:

1. Code Modification Forum

- This section is focused on the Forum meeting and the governance thereof, specifying clear roles, responsibilities and timelines in respect of all aspects of the meeting.

2. Code Modification Process

- This section is focused on the process applied to modifying the Code of Operations.

3. Code Modification Forum

Section 1.2 of (Part I) of the Code of Operations governs the establishment of the Code of Operations and has provided the basis of this document.

The principle functions of the Forum are as follows:

1. To facilitate the Code Modification Process as prescribed in the Gas Networks Ireland Code of Operations (Part I);
2. To communicate progress in relation to the implementation of Code Modifications;
3. To allow the Commission and the Transporter to provide market updates to Industry in particular in relation to the development of EU Regulations, Framework Guidelines and Network Codes which may impact on the Irish wholesale gas market;
4. To update Industry in terms of operational activities which affect it on a day-to-day basis.

The Forum shall consist of:

- a) The CER (Chair);
- b) The Transporter (Secretariat);
- c) All licenced Shippers and Suppliers;
- d) The Licenced Asset Owner;
- e) Licenced Storage Operators;
- f) Producers;
- g) LNG Operators and Third Parties as directed by the Commission from time to time including parties aspiring to any of the above categories of participant in the market.

An alternative chairperson of the Forum may be appointed by the Commission where they deem necessary.

3.1 Role of Chair

The Forum meetings will not take place unless the Chair is present. The key roles of the Chair include:

- Provision of a schedule of meetings for each calendar year;
- Administration and general time keeping during meetings;
- Formal approval of Code Modifications, legal drafting and sign-off on IT expenditure (this function only applies in the instance where the Chair is held by the Commission)

3.2 Role of Secretariat

The nominated secretariat will be the Transporter unless otherwise directed by the Commission. The key roles of the Secretariat include:

- Preparation and circulation of all relevant material to the Forum circulation list (i.e. agenda and slide pack).
- Preparation of initial draft of minutes, circulation of same to the Forum circulation list, and publication on the Transporter's website;

- Maintenance of the Forum email circulation list, including amendments to allow for additions/removals etc;
- Organisation of each Forum meeting (location/equipment, conference call dial in details etc as required);

3.3 Role of Other Attendees

The following groups have an equal role within the forum and are invited to actively participate in the process:

- All licensed Shippers and Suppliers;
- The Licenced Asset Owner;
- Licenced Storage Operators;
- Producers;
- LNG Operators and Third Parties as directed by the Commission from time to time including parties aspiring to any of the above categories of participant in the market.

Any member of the Forum may propose a modification pursuant to Section 1.3 (Part I) of the Code of Operations. The Forum shall undertake further consultation in relation to any proposed Modification as outlined in this document and in any other way that the Commission may determine.

3.4 Meeting Particulars

Schedule of Meetings

- At the commencement of each Calendar year, the Commission shall issue a schedule of indicative Forum meeting dates for that year;
- Notwithstanding the schedule referenced above, at least 4 weeks prior to each meeting, the date of the Forum meeting will be confirmed and communicated to the Forum.

Agenda

- The agenda is to be prepared by the Transporter and approved by the Commission;
- Proposals for inclusion on the agenda must be submitted at least 7 business days before the date of the meeting to allow sufficient time for the Commission to review and approve;
- The agenda is to be circulated by the Transporter at least 5 business days before the date of the meeting;
- For inclusion in the meeting agenda, presentation materials must be sent to the Transporter by the close of business two days in advance of the meeting.

Minutes

- The Transporter shall keep notes of the meeting, on which basis it shall prepare draft minutes;
- The minutes are to be in an agreed format as approved by the Commission;
- The minutes shall include a summary of the discussions relating to each Code Modification, as follows:
 - Overview of key views expressed by Industry, the Commission and the Transporter;

- Views expressed shall not be attributable to individuals or companies, unless an individual or company expresses their wish for the comments / views to be attributed directly;
- Views expressed at the Forum meeting shall be attributed to the following groups of individuals:
 - Industry;
 - The Commission;
 - The Transporter.
- The summary shall provide an indication of the general outcome of the discussion and the agreed next steps.
- The minutes shall include a list of agreed actions:
 - Actions will be attributed to the responsible party;
 - Actions should be categorised based on level of priority / urgency;
 - Actions will remain on the minutes until Forum members agree their closure;
- The Transporter shall issue draft minutes to the Forum circulation list within 10 business days of the date of the meeting;
- Minutes shall be approved by the Forum at each subsequent Forum meeting;
- Slides of the presentations to the Forum will be made available on the Transporter website.

4. Code Modification Process

The following section outlines the Code Modification process which shall be applied to all Code Modifications. The process meets the requirements of the Code of Operations (Part I, Section 1.3) at a minimum, and in some cases provides a further level of detail which is not included in the Code. It should be noted that, notwithstanding the process described below, the rules of the Code take precedence.

It is also the case that the process below is designed to address what could be considered a ‘typical’ Code Modification proposal, and it is expected that the process as described would be applied to the majority of modification proposals which arise. However, it is recognised that the process below may not always be appropriate and, therefore, the Commission reserves the right to direct a Code Modification or adopt a different process for approval of a code modification depending on the particular situation.

Proposal

- A Modification proposal should be submitted to the Transporter and the Commission in an approved written format (‘Code Modification Proposal Form’), setting out the detail, nature, purpose and rationale of the proposed modification. It should identify the proposer, the date by which the modification is required to be implemented and the reasons for determining that date.
- As soon as is reasonably practical but in any event within 5 business days of receipt, the Transporter shall acknowledge receipt of the proposal and, if the proposal meets the above mentioned requirements:
 - Allocate a number to the Modification;
 - Circulate the Modification to the Forum;
 - Table the Modification for discussion at the next Forum meeting (which is at least 10 days after circulation of the proposal);
 - Publish the modification proposal on its website within 10 business days of receipt.

Discussion at Forum Meeting & Initial Modification Report

- At the next Forum meeting following receipt of the proposal (subject to the aforementioned 10 day requirement);
 - The proposer shall present the modification proposal to the Forum and provide Forum members with an opportunity to discuss the proposal;
 - The Forum shall agree a timeframe by which the Transporter shall submit (to the Forum, and made public on the Transporter's website) an **Initial Modification Report (IMR)**, such timeframe being the earlier of:
 - 20 business days after circulation of the Modification Proposal; or
 - 15 business days following the date of the Forum meeting at which the proposal was presented; or
 - Such other timeframe as determined by the Forum.

- The Forum shall agree a timeframe by which Industry may submit written comments (to the Transporter and the Commission) in respect of the Initial Modification Report.
- The Initial Modification Report shall be prepared by the Transporter in an agreed format approved by the Commission, and shall include:
 - Introduction / Background / Related Documents;
 - Proposed Modification;
 - The estimated system impacts, costs, and implementation timelines;
 - Summary of Forum discussion (where such discussion has taken place);
 - Transporter's assessment of the proposed modification in particular as regards feasibility, timing and cost;
 - A summary of the sections of the Code of Operation that will be affected;
 - Consultation period in respect of IMR.

Commission Decision: Initial Modification Report

- Following review of the **Initial Modification Report (IMR)** and Industry responses in respect of same, the Commission shall advise the Forum within 10 business days of its decision in terms of further progression of the proposal.
- The Commission may:
 - Direct the proposer to clarify questions posed, convene information meetings or working groups, or prepare written responses to questions posed at the Forum; and/or
 - Direct the Forum to consult further with third parties; and/or
 - Direct the establishment of a working group to consider the modification; and/or
 - Direct the Forum to amend a proposed modification where appropriate;
 - Direct the Transporter to progress with Code legal drafting;
- The Commission shall provide to the Forum, in written standardised, its reasoning for arriving at the decision.

Business Rules

- If requested to do so by the Forum, the Transporter shall develop business rules which shall clearly define the detailed rules by which the modification is to be effected.
- The Transporter shall issue the business rules for Industry consultation, and invite written responses from Industry, with responses to be submitted to the Transporter and the Commission.
- The deadline for delivery of the business rules document and consultation timeline shall be determined by the Forum.

Final Modification Report

- No later than 15 Business Days after the close of the business rules consultation period (or where business rules are not required, no later than 15 business days after the circulation of the Commission's decision in relation to the IMR), the Transporter shall circulate to the Forum and publish on the Transporter's website for information a **Final Modification Report (FMR)** in an agreed format approved by the Commission, including the following:
 - Introduction / Background / Related Documents;
 - Summary of consultation (s) which has been carried out (includes business rules consultation, third party consultations, working group conclusions etc. if any have taken place);
 - Summary of consultation responses, including written and verbal (Forum discussions);
 - Summary of Commission decision in relation to the IMR;
 - Updates to the estimated system impacts, costs, and implementation timelines as provided in the IMR, if required;
 - A recommendation in instances where there is general agreement among the members of the Forum.
- Where a Forum member feels that their position has been misrepresented in the FMR, they may make representations to the Commission to this effect.

Commission Decision: Final Modification Report

- The Commission shall review the FMR (and any supporting business rules, Industry responses, third party or working group submissions etc.) and provide the Forum with a Decision paper in a standard format containing the following:
 - Where the Commission has not previously directed the preparation of Code legal drafting, the Commission shall direct the Transporter to progress Code legal drafting on the basis of:
 - The business rules as presented in the consultation; or
 - The business rules as presented in the consultation, subject to amendments specified by the Commission; or
 - On such other basis as explicitly provided by the Commission.
 - Where the Commission has previously directed the preparation of Code legal drafting following its review of the IMR, and where the FMR does not provide additional information to that which informed the Commission's decision in respect of the IMR, it should be noted that the Commission's decision in respect of the FMR may simply be a reiteration of its previous decision;
 - Its reasoning for the decision outlined above.

Code Legal Drafting

- Where directed by the Commission, the Transporter shall prepare (and submit to the Commission, circulate to the Forum mailing list and publish on the Transporter's website) Code legal drafting in a timeframe specified by the Commission.

- The Transporter shall invite written responses from Industry (to be submitted to the Transporter and the Commission) in respect of the Code legal drafting within a timeframe specified by the Commission.

Implementation

- The Commission shall review the Code legal drafting and any Industry responses received and shall direct the Transporter to implement the modification as follows:
 - On the basis of the legal drafting as submitted; or
 - On the basis of the legal drafting as submitted, subject to amendments as prescribed by the Commission;
 - On the effective date on which the modification shall be implemented.
- The Transporter shall circulate to the Forum mailing list and publish on the Transporter's website the following:
 - A copy of the Commission's approval ('Notice to Shippers' or 'Commission's Instruction') of the Code legal drafting, which shall include the implementation date of the modification; and
 - The approved Code legal drafting.