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Paper Reference:	**SECP_60_1409_17**
Action:	**For Decision**

Approval of the Working Group Terms of Reference document

1. Purpose

Approved Modification Proposal SECMP0050 'Section D Review: Moving the Working Group Terms of Reference to a Separate Document' will amend SEC Section D to move the details of how Modification Working Groups are formed out of the SEC and into a Panel-owned Terms of Reference document. This paper invites the Panel to approve the Terms of Reference to be used from 1st November 2018.

2. Introducing a Working Group Terms of Reference document

On the 22nd August 2018, the Change Board elected to approve SECMP0050 under Self-Governance. Following this decision, the Working Group Terms of Reference needs to be a self-contained document that is approved by the SEC Panel. The SEC will require that the Panel consults the industry before these Terms of Reference come into effect and before amending them.

To discharge this obligation, we included a question on the content of the Working Group Terms of Reference as part of the SECMP0050 Modification Report Consultation. The comments we received can be found in Appendix A, along with our response to them.

The Terms of Reference have been updated following the consultation (found in Appendix B) and are submitted to the Panel for approval to be effective as of 1st November 2018 when SECMP0050 is due to be implemented.

3. Recommendations

The Panel is requested to **APPROVE** the Working Group Terms of Reference document to be effective from 1st November 2018.

Harry Jones

SECAS Team

7th September 2018

Appendix A

1. Comments and Actions

Below is a table describing the comments received in the SECMP0050 Modification Report Consultation and the action we have taken.

Comment raised	Action taken
Northern Gas Networks Ltd. – Request that there is no firm rule in the Terms of Reference document requiring a representative from each party category to attend all workgroups.	The Terms of Reference has been amended to specify that there is no mandatory requirement for a representative from each Party Category to attend all Working Groups. The only requirement is that there is a minimum of five members, and that these come from different organisations, rather than Party Categories.
E.ON – Request to remit the ability of Panel to remove WG members so it doesn't impact the quoracy arrangements. The Panel removing a member without replacement could cease the progress of the modification and therefore undermines the intent of the Modification.	We have elected not to remove the clause specified, due to it being an occurrence under exceptional circumstances and a last resort. The rationale is that the Panel should have the right to remove a Working Group member if said member is obstructing the modification and not acting in line with the responsibilities set out in the Terms of Reference. The Panel would be able to direct an amendment to the terms of reference for that specific Working Group if quoracy was affected.
E.ON – In the Industry Parties and Participants section, we believe there is an erroneous instance of 'that' between 'opinion' and 'this'.	The Terms of Reference has been amended to remove this grammatical error.
E.ON – We believe that the 'Gemserv's offices' should be replaced with 'the Code Administrator's offices' to ensure the text is future proofed.	The Terms of Reference has been amended to reflect this change of wording for the reason the member specified.
E.ON – We believe that the Panel should be responsible for determining it is appropriate to hold a WG meeting that is not an open meeting, rather than the chairman	We have elected not to alter the wording in this sentence. This is due to the situation of confidential responses through Working Group Consultations that may require any following Working Group meetings where such material being discussed to be closed meetings.
E.ON – We believe the fourth bullet point needs to be 'subject to quoracy arrangements of the WG'	The Terms of Reference has been amended so that the fourth bullet point now includes the suggested text from the member.
E.ON – We believe that telephone conferencing ought to be mandatory rather than optional given the driver of this change is to increase WG attendance	The Terms of Reference has been amended to make teleconferencing options mandatory alongside face-to-face meetings. We agree with the proposer's rationale that it should increase Working Group attendance.

Comment raised	Action taken
E.ON – We believe that 'other matters the chairman believes should be voted on' should be discussed by the WG and such discussions noted in the Modification Report to permit visibility of what this may entail	The Terms of Reference has been amended to make reference to matters which are voted upon in Working Groups needing discussion prior to any vote that takes place. The Modification Process already takes notes of events such as these in the Modification Report and as such an entry to cover that element is not required in the Terms of Reference document.
E.ON – We believe that the ninth bullet point needs to be 'subject to quoracy arrangements of the WG', and that consideration is required here for voting outcomes.	The Terms of Reference has been amended to include the text the member has suggested due to it delivering additional detail and clarity to the requirements.
E.ON – The current drafting does not provide comment upon who is able to vote and we believe it should be made clear that the Code Administrator and the DCC are not permitted to vote.	The Terms of Reference has been amended so that it is clearly defined which Working Group members can and can't participate in votes.
E.ON – We do not believe that it has been made explicitly clear within the current drafting that variations made to WGs by the Panel do not require a change to the ToR of a WG. We further believe such variations should be documented such that they do not prejudice the existing requirements of the ToR.	SECAS believe this concern has already been addressed within the 'Purpose' section where it specifies 'If a participant wishes to propose a change to this document, they can submit this request to the Panel through SECAS for due consideration'. This should adequately inform a member they can submit an edited edition of the Terms of Reference to the Panel if they so wish.
E.ON – We still believe that clarification is required to the way in which a Party may raise a change to the ToR; for example, if a Party raises a change will this be issued to consultation or will Panel be able to determine that they do not agree with said change? In such an instance, what appeals process would apply to the proposing party? etcetera.	SECAS believe the way in which a Party can raise a change to the Terms of Reference was mentioned in the 'Purpose' section where it specifies both 'If a participant wishes to propose a change to this document, they can submit this request to the Panel through SECAS for due consideration' and 'The Panel will also agree any specific instructions or variations to these terms of reference when forming each Working Group'. Any appeals would be subject to the standard appeals process under the SEC.