

## Modification Materiality Guidance: Self-Governance Modifications

Proposers of Modifications to the iGT UNC are required to demonstrate the materiality of their Modification if they believe an Authority direction is required. All changes to the iGT UNC and its Ancillary Documents shall be considered under the Self-Governance rules, unless the Proposer can demonstrate that the changes would be material in their effect.

This brief note seeks to provide areas for Proposers to consider in considering what might constitute a ‘material effect’ as described in the Self-Governance criteria. In all circumstances, Proposers will be expected to objectively justify their materiality assessment.

The below table has been provided to assist Proposers in providing justification where appropriate. Guidance has been designed to be as common as possible across industry codes, including with the Uniform Network Code (UNC).

Effect on	Likely to require Authority decision if your proposal...
Existing or future gas consumers	<ul style="list-style-type: none"> <li>Increases switching timescale; or</li> <li>Materially increases costs that are passed onto consumers, or may be in future.</li> </ul>
Competition in, or commercial activities related to, the shipping, transportation, or supply of gas	<ul style="list-style-type: none"> <li>Reduces competition, or choice, in the marketplace;</li> <li>Significantly increases complexity of processes (where this could lead to confusion for consumers);</li> <li>Entails parties incurring additional cost, where there is a significant cost for a few, or additional cost for many; or</li> <li>Introduces different treatment according to class of parties, whether you believe it is justified or not.</li> </ul>
Operation of one or more pipe-line systems	<ul style="list-style-type: none"> <li>Has the potential to create stranded regulated assets; or</li> <li>Increases investment in network assets.</li> </ul>
Sustainable development, safety, security of supply, or the management of network emergencies	<ul style="list-style-type: none"> <li>Has the potential to result in widespread increase in carbon emissions/greenhouse gases; or</li> <li>Reduces the availability of supplies of gas.</li> </ul>
iGT UNC governance or modification procedures	<ul style="list-style-type: none"> <li>Affects the rights of the industry to be engaged in proposed changes to the iGT UNC;</li> <li>Changes the iGT or Shipper representation obligations; or</li> <li>Changes any Authority decision-making capacity.</li> </ul>

Proposers should also remember that Modifications likely to introduce any kind of discrimination between classes of parties across the industry will usually require Authority direction.