

**JOINT GOVERNANCE ARRANGEMENTS COMMITTEE**  
**MINUTES OF THE 28<sup>th</sup> MEETING HELD ON Friday 07 March 2014**

**Attendees:**

**Representatives:** A Musgrave (AM), Scotia Gas Networks; S McGoldrick (SMc), National Grid NTS; S Parker (SP) Northern Gas Networks and S Edwards (SE) Wales & West Utilities

**Joint Office:** L Jenkins (LJ) and R Fletcher (RF)

**Also in attendance:** None

**28.1. Introductions**

It was confirmed that SMc is representing National Grid NTS for this meeting.

**28.2. Minutes of last meeting and actions arising**

The minutes from the last meeting were approved.

**JGAC2303:** Representatives to provide a view on moving to the JO managing a centralised service for legal text provision

**Update:** SE felt that further discussion will be required and it is likely that an alternative modification may be raised at some stage once the initial workgroup has been held. Members were asked to note that the proposers representative had requested that the Workgroup Report is prepared for completion at the meeting on 18 March, should this be completed this would prevent an alternative modification being raised. **Carried Forward.**

**JGAC 2701:** LJ to provide a budget update including replacement of IS equipment.

**Update:** LJ confirmed the budget had been amended see item 28.3. **Completed.**

**JGAC 2702:** LJ to provide the following:

- Define the role of the Panel chair and compare with other codes and the process used by SEC;
- Provide costs and outline the contracting/appointment process;
- Provide a deputy Panel chair process;
- by the next JGAC meeting.

**Update:** Discussed under item 28.4. **Completed.**

**JGAC 2703:** LJ to provide an update on the Panel Chair consultation to Ofgem.

**Update:** LJ confirmed that he had spoken with Ofgem representatives and that they were comfortable with the current approach. See item 28.4 below. **Completed.**

**JGAC 2704:** LJ to provide an extract of the dissatisfied comments received in the Customer Survey.

**Update:** LJ confirmed that he had circulated the comments to members. **Completed**

**JGAC 2705:** LJ to provide an overview of time taken from raising a modification to decision and how it compares to other codes and previous years.

**Update:** LJ provided an overview of the modification process and the average time taken for a modification to proceed through the process over the previous 3 years. In 2011 the average was 172 days; in 2012 it was 229 days and in 2013 it was 225 days although, if the

three modifications requiring significant development are removed, this reduces to around 184 days, which is similar to previous years. SP asked if 6 months is an appropriate development time, could this be reduced? LJ noted the concerns raised and that he was in reviewing the process and was comparing development times with other Codes to what improvements could be made. **Carried Forward**

**JGAC 2706:** LJ to provide details of the job role and salary costs for new appointment.

**Update:** LJ advised that he had circulated a job description to members and that the budget included the estimated costs, see item 28.5. **Completed**

### 28.3. Budget

LJ advised that the budget had been circulated to members prior to the meeting for their consideration. LJ provided a run rate based on how the JO were performing against the budget for this year. He explained that he was proposing to include the costs of additional meetings for Change Overview Board, European Workgroup, IS support and replacement equipment costs, additional staff and video conferencing facilities. The budget for 2103/14 was £523k, this would increase to around £640k with the inclusion of the independent Panel Chair costs.

SE wanted the budget to be seen as a challenge to spend under and not a target to reach.

Members approved the budget for 2014/15.

### 28.4. Panel Chair Consultation

LJ provided an overview of the Panel Chair Consultation paper circulated to members prior to the meeting and provided an update on Ofgem and Panel comments. He recommended that the role of the independent Panel Chair (iPC) is restricted to Panel and UNCC as they have the role defined and Governance Workgroup is arranged to meet on a different or is chaired by a member of the JO. AM asked if the order of the meetings should be changed to ensure attendance at Governance Workgroup. Though attendance was considered to be an issue for Governance Workgroup, it was agreed that it wasn't necessary for the iPC to chair the meeting.

LJ asked for Members views on the voting arrangements and how they should be managed at Panel. SP would like to see a voting system that can be used both in the room and remotely.

LJ asked for Member's views on JO attendance at panel. AM asked if LJ would attend in addition to the JO providing a secretary, if so would this solve the voting issues. SE was concerned about the role of the iPC and how they would manage the meeting – would they be expected to understand the topics or just facilitate the meeting process. SMC asked how the casting vote is to be used, should this be considered in the recruiting process to ensure the iPC was capable of exercising the vote. SP felt the iPC would consider a casting vote based on the discussion in Panel. LJ confirmed that the iPC would need to understand UNC and the Modification Rules so that he could follow debate and contribute by way of a casting vote when necessary. LJ also confirmed that he would attend Panel to support the iPC and voting.

LJ explained that the rules for the appointment of a deputy chair are the same as for the Chair - Transporters appoint and Ofgem approve. He has assumed he would take on this role for the exceptional circumstances when the iPC could not attend the meeting, and this would be verified as part of the Consultation and later submitted to Ofgem as part of

the overall approval process.

SP was happy to support the process, however the appointment process should be agreed by JGAC, it should not be necessary to go back to Panel to seek approval of the process. LJ felt this step was just being open and ensuring all views were considered as requested in Ofgem's letter. SP was concerned that time is short and the process needs to move forward, though it is appropriate that Panel should be kept informed of progress.

Members agreed the iPC should monitor the performance of the JO in supporting Panel and not individual or overall JO performance.

LJ asked Members if they were happy with the approach on describing the costs of the iPC role. SP was comfortable with the approach so that the industry could see what this process was going to cost and for very little benefit. AM agreed, he was unsure this would change minds but it would show transparency. By agreement, the Consultation question was amended to make it a more direct examination of whether respondents wanted to proceed given the likely costs

LJ asked how Ofgem should be approached. Members asked LJ to hold an offline discussion with them to make them aware of the process to be followed and the timescales involved. Members agreed that the consultation should start sooner rather than later with a consultation period of 2 weeks.

Members approved the approach to selecting an iPC subject to the comments highlighted above.

## **28.5. Additional resource**

LJ asked members if they had any additional views on the resource paper and job description circulated to them prior to the meeting. AM asked whether it was still appropriate for this role to be filled by National Grid or should this be seen as an opportunity to recruit externally? SP agreed that this might be a good time to make a change but is the model self-sustaining bearing in mind it is only 5 or 6 people. However, it is beneficial to recruit people who meet the needs of the JO rather than take who National Grid offer if they have been displaced from a reorganisation. SE agreed this was an opportunity to consider the future role of the JO and how it sits with the industry and FGO.

SMc was comfortable with either approach that said most of the resources were from a National Grid Distribution background, so he could not comment on suitability or recruitment. LJ had spoken with AR and they were aware that the longer term may lead to a more independent recruitment process but there is an existing agreement and a piecemeal approach may not lead to any perceived benefits. A more encompassing review should take place at an appropriate time.

LJ advised that recruitment would be based on the role requirements for the JO and the candidate selected on that basis. This may mean the National Grid have to recruit from the external jobs market to get the right person.

Members approved the requirement for the JO to recruit an additional resource.

## **28.6. Any Other Business**

None raised.

## 28.7. Date Planning and Content of Next Meeting

Representatives agreed to meet via teleconference commencing at 01.00pm on 04 April 2014.

### Action Summary

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 2303	13/09/13	23.6	Representatives to provide a view on moving to the JO managing a centralised service for legal text provision	Representatives	Carried forward
JGAC 2701	13/02/14	27.4	LJ to provide a budget update including replacement of IS equipment.	JO (LJ)	Completed
JGAC 2702	13/02/14	27.5	LJ to provide the following:  Define the role of the Panel chair and compare with other codes and the process used by SEC; Provide costs and outline the contracting/appointment process; Provide a deputy Panel chair process;  by the next JGAC meeting.	JO (LJ)	Completed
JGAC 2703	13/02/14	27.5	LJ to provide an update on the Panel Chair consultation to Ofgem.	JO (LJ)	Completed
JGAC 2704	13/02/14	27.6	LJ to provide an extract of the dissatisfied comments received in the Customer Survey	JO (LJ)	Completed
JGAC 2705	13/02/14	27.7	LJ to provide an overview of time taken from raising a modification to decision and how it compares to other codes and previous years.	JO (LJ)	Pending
JGAC 2706	13/02/14	27.8(a)	LJ to provide details of the job role and salary costs for new appointment.	JO (LJ)	Completed