

Governance Workstream Minutes

Thursday 20 April 2006

350 Euston Road, London

Attendees

Julian Majdanski (Chair)(JM) Joint Office
 Alan Lattimore (AL) Elexon
 Alan Raper (AR) National Grid UKD
 Beverley Grubb (BG) Scotia Gas Networks
 Chris Logue (CL) National Grid NTS
 Claire Thorneywork (CT) National Grid NTS
 David Edward (DE) Ofgem
 John Bradley (JB) Joint Office
 Mike Young (MY) British Gas Trading
 Phil Broom (PB) Gaz de France ESS
 Joanna Ferguson (JF) Northern Gas Networks
 Steve Ladle (SL) Total
 Sam McEwan (SM) Ofgem
 Shelley Rouse (SR) Statoil

1. Minutes from Previous Workstream

Were accepted.

2. Review of Actions

GOV 1012 Request xoserve to submit list and brief details of current Class 1 UK Link Modifications to each meeting of the UK Link Committee. This request had been made and a response is awaited.

GOV 1013 PB to procure an outline of the change request process that operates alongside the BSC and to make a presentation on this to a subsequent Workstream. See item 4.1 below.

Action Closed

3. Modifications

These were reviewed briefly by the Chairman.

4. Topics

4.1. Topic 009GOV: UK Link Processes

AL gave this presentation. He began by outlining the BSC processes. It was pointed out that, under the BSC, the working group essentially takes over the modification from the proposer. If the proposer has an issue with this an alternate is raised.

Change proposals (including systems changes) can be raised by Elexon or the BSC parties. JM pointed out that there could be substantial costs in doing an impact assessment. Elexon had acknowledged this, and was investigation solution such as filtering out changes that were unlikely to be approved. Two sub-committees (Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG)) have delegated authority from the BSC Panel but only where their decisions were unanimous. One current proposal to streamline the process was to bring in a Change Proposal Analyst Report, which should assess issues at an early stage. Elexon would do the initial business benefit assessment. Currently, costs are borne in proportion to the size of the BSC party so changes may be rejected if only one party wants it. There is no provision for a single party to fund the change or for any other methods of cost allocation. The Workstream thanked AL for this presentation.

Following the presentation, SL asked how things stand in terms of progress on resolving the current issues, particularly on Class 3 UK Link Modifications. Currently, a Class 3 UK Link Modification would involve using the UNC Modification processes in order to gain approval for the change. The belief of the Workstream was that a proposer of the change request should be able to raise the Class 3 Modification – currently a Transporter has to raise the Modification Proposal. SL wondered whether the Authority would be able to apply the criteria furtherance of the relevant objectives in coming to a decision on a system change. DE believed that the Authority would be able to come to a decision particularly if its wider objectives were taken into account.

SL agreed to consider raising a UNC Modification Proposal to allow shippers to raise UNC Modification Proposals associated with a Class 3 UK Link Modifications.

4.2. Topic 005GOV: SME Roles and Responsibilities

CL referred to Modification Proposal 0070 and the reason for withdrawal. He had circulated a draft proposal. National Grid NTS wished to clarify that where a Transporter makes a Proposal any attached legal text would have “indicative”, rather than “final” status. MY pointed out that at the onset of consultation the legal text is currently considered as final, subject to representations. CL confirmed this and stated that the proposal did not intend to change this aspect of the status quo.

CL clarified that it is proposed that any changes to a Modification Proposal, that reflect consultation responses, would go back to the Workstream. In addition, once the Panel had agreed that a Modification Proposal was sufficiently developed to go to consultation, a process would be available if a Transporter was unable to draft legal text due to lack of clarity. The Transporter would issue a written notice to that effect, the Draft Modification Report would not be issued and further discussion would take place at the subsequent Panel meeting. It was suggested that the Proposer should be consulted prior to issue of the notice. JB suggested that a Transporter would normally seek to discuss these issues with the proposer. This was recognised as good practice and CL confirmed that National Grid NTS would seek to discuss the issues with the proposer prior to issuing the notice.

National Grid NTS agreed to take account of this discussion prior to raising a Modification Proposal. It was agreed that a proposal substantially of this form was sufficiently developed to proceed to consultation.

Action GOV1014. National Grid NTS to raise a Modification Proposal reflecting the draft proposal already circulated and the Workstream discussion.

Prior to raising the Modification Proposal, National Grid NTS indicated that it would welcome any further detailed comments. These could either be made directly or through the Joint Office.

5. Any Other Business

None

6. Next Meeting

18 May 2006 following the UNC Committee meeting.

Action Log – UNC Governance Workstream 20 April 2006

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|-------------|----------|-----|--|------------------------|---|
| GOV 1012 | 16/03/06 | 4.2 | Request xoserve to submit list and brief details of current Class 1 UK Link Modifications to each meeting of the UK Link Committee. | Joint Office (JB) | Request made, awaiting response. Carried Forward |
| GOV 1013 | 16/03/06 | 4.2 | Procure an outline of the change request process that operates alongside the BSC and to make a presentation on this to a subsequent Workstream | Gaz de France ESS (PB) | Presentation given by Elexon at April Workstream. Action Closed |
| GOV 1014 | 20/04/06 | 4.2 | Raise a Modification Proposal reflecting the draft proposal already circulated and the Workstream discussion. | National Grid NTS (CL) | |

* key to initials of action owners

CL – Chris Logue. JB – John Bradley, PB – Phil Broom