

Governance Workstream Minutes

Thursday 15 February 2007

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office of Gas Transporters
Alex Barnes	(AB)	BG Group
Beverley Grubb	(BG)	Scotia Gas Networks
Chris Logue	(CL)	National Grid NTS
Chris Warner	(CWa)	National Grid UKD
Chris Wright	(CWr)	British Gas Trading
David Edward	(DE)	Ofgem
John Bradley	(JB)	Joint Office of Gas Transporters
Julian Majdanski	(JM)	Joint Office of Gas Transporters
Liz Spierling	(LS)	Wales and West Utilities
Phil Broom	(PB)	Gaz de France ESS
Robert Cameron Higgs	(RCH)	Northern Gas Networks
Richard Fairholme	(RF)	E.ON
Shelley Rouse	(SR)	Statoil

1.0 Introduction and Status Review

1.1 Minutes from Previous Workstream

Were accepted without amendment.

1.2 Review of Actions

GOV1020: Prepare a discussion document on potential changes to Urgent procedures for February 2007 Workstream

See item 3.0 below

Updated and Carried Forward

2.0 Modification Proposals

None

3.0 Topics

3.1 Urgent Procedures

BGT had issued a document "Review of Process for Urgent Modification Proposals" that formed the basis of the discussion. CWr suggested that guidelines were required, rather than a formal Modification Proposal which sought to establish processes within the UNC. AB referred to issues with Modification Proposals 0128 and 0129 that emphasised the need for stronger guidelines. DE stated that in any guidelines Ofgem would wish to see an opportunity for Panel recommendation as part of the procedures followed. AB responded that a satisfactory Panel recommendation needs adequate notice (at least a week), which had not applied in respect of 0129. Whilst recognising the desire of Ofgem to have a recommendation, the Panel might decline to give one due to the lack of notice. DE explained that whilst Ofgem always reviewed the responses, it particularly valued the decision of the Panel. RCH expressed concern at this; on occasions a well-considered representation should, arguably, carry more weight than a single Panel member's vote. AB also felt that, if insufficient time were given for Panel consideration, abstentions should not to be counted as votes against implementation. It was recognised, however, that even if different rules applied to abstentions, members might wish to vote against implementation as they considered it safer to retain the

status quo. It was relevant, in this respect, that preventing majority support for a Proposal safeguarded the rights of appeal.

TD reminded the meeting that Shipper Panel Representatives always valued the five day timescale for Panel consideration. However, he pointed out that this, allied to 3 days for report production, might squeeze the period for consultation outlined in the discussion document. BG suggested that one solution, in the event of a shorter Panel consideration period, would be for Panel members to caveat their decision as their own rather than that of their constituency. SR suggested that Urgent Proposals should always go out early if the day was to count as one of those allowed for consultation - a 17.00 issue can effectively shorten the consultation period by a day.

TD referred to BGT's suggestion of a 2 day consultation on the Final Modification Report and asked whether Workstream members might wish to see a more formal "second consultation". This suggestion was not pursued by the Workstream.

CWr asked about use of the Consent to Modify route for "very urgent" Proposals. DE expressed the need for caution on the use of such a route.

AB expressed concern that the timetable was totally within the hands of Transporters and Ofgem with no formal shipper involvement. The Workstream, therefore, discussed the possibility of a Panel discussion on the timetable to be followed. This raised questions on how much notice the Panel would require of the discussion. There was also a visibility issue – Ofgem may prefer to make decisions on Urgency without being lobbied and reference to the Panel would potentially raise the profile of a Proposal prior to the initiation of the consultation phase.

AB pointed out that, with recent Urgent Proposals, he believed the Proposer could have made the Proposal earlier to allow more time for consultation. TD recognised this principle but still felt that the Workstream needed to consider the possibility of some Proposals needing a short timetable.

It was agreed that the Proposer would review this discussion and produce draft guidelines, which would lie outside the UNC, for review by the Workstream.

4.0 Any Other Business

RF asked the JO to consider whether additional clarity on effective dates of implementation was required – such as when there was a retrospective implication. **Action TD**

5.0 Next Meeting

TD suggested that the next meeting might look at the Text aspects of the current Mod Rules. BG informed the meeting that SGN was looking at the Mod Rules and would incorporate this aspect in its suggestions.

15 March 2007, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 15 February 2007

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV 1020	18/01/07	4.0	Prepare a discussion document on potential changes to Urgent procedures for February 2007 Workstream	British Gas Trading (MY/CWr)	It was agreed that BGT would produce draft guidelines based on this discussion.
GOV 1021	15/02/07	4.0	Review whether there is currently sufficient clarity in respect of effective dates where there is a retrospective aspect to a Proposal	Joint Office (TD)	

* key to initials of action owners

MY – Mike Young, CWr – Chris Wright, TD – Tim Davis