

Governance Workstream Minutes

Thursday 15 November 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
Christian Hill	(CH)	RWE Npower
Clare Temperley	(CT)	Gas Forum
Chris Warner	(CWa)	National Grid UKD
Chris Wright	(CWr)	British Gas Trading
Jonathan Dixon	(JD)	Ofgem
John Bradley	(JB)	Joint Office of Gas Transporters
Lorna Dupont	(LD)	Joint Office of Gas Transporters
Liz Spierling	(LS)	Wales & West Utilities
Peter Bolitho	(PBo)	EON UK
Phil Broom	(PBr)	Gaz de France
Robert Cameron-Higgs	(RCH)	Northern Gas Networks
Richard Fairholme	(RF)	EON UK
Ritchard Hewitt	(RH)	National Grid NTS
Stefan Leedham	(SL)	EDF Energy

1.0 Introduction and Status Review

1.1 Minutes from Previous Workstream

Were accepted without amendment.

1.2 Review of Actions

GOV1029: All Transporters to consider and outline, at the Workstream, their response to Ofgem's request that, in future, UNC legal text includes a commentary

BG felt that the real issue was whether Proposals were clearly drafted – if they were there would be less need for a commentary. SGN had encountered problems in interpreting Proposals. RH emphasised the value of Business Rules although CWa acknowledged that these were not always necessary. TD reminded the meeting that Ofgem had wished to see the reason for selecting an interpretation where more than one option existed. Ofgem had also asked for clarity in context - showing deletions and insertions. This point was recognised by the Transporters and it was agreed that greater consistency should be sought. AB recalled one Proposal where there was lack of clarity but Ofgem had still approved it. BG suggested that clearer specification of sections affected in the Proposal should be made mandatory and would be considering incorporating a provision in the suggestions she would be making in the New Year.

JD recognised the points made but still felt that a commentary would assist Ofgem in reaching a decision. PBr stated that he would support Business Rules being developed in the Workstream. CWa pointed out that this would not be necessary where legal text was available.

The Transporters therefore agreed to make the legal text more complete (eg clarity on deletions and insertion) and to add a commentary where it would be helpful to do so. **Action Closed**

2.0 Any Other Business

1. RH stated that the current list of experts with respect to dispute resolution needs updating. TD suggested bringing the list to the next meeting for the Workstream to review, read out the current names and agreed to circulate it amongst Panel Members.

2. CWa referred to a draft Modification Proposal "Introduction into the UNC of the Agency Charging Statement ("user pays") that had been placed on the Joint Office web-site. PBo expressed the view that the Governance hierarchy should be clearly set-out in the UNC. This would prevent changes that affected the UNC being made outside its boundaries.

AB pointed out that consultation on this approach had taken place in the context of the Distribution price control and he would be concerned if it applied to Transmission areas. TD clarified that there were six service lines to which user pays would initially apply, all of which were Distribution focussed. However, it was possible that future changes might affect Transmission since the approach applied to xoserve provided services. JD acknowledged the possibility, but believed that User Pays areas would be concentrated in Distribution.

AB raised the issue of Third Party Proposals where the Proposer would not bear any costs of implementation. JD responded that the term "user" might cover Non Code Parties. AB acknowledged this, but pointed out that Users might still face the major costs if they had to use services on a user pays principle, just as Users might face costs when the Transporter has to implement a Licence requirement.

TD suggested Ofgem be requested to make a presentation on the User Pays principle to each Workstream. SL concurred with this as some Users had not appreciated the implications. The Workstream supported this suggestion.

PBo suggested that this brought up issues of control and governance of xoserve. JD acknowledged that this might develop in the future. RH also believed that the modification process would need to change to highlight cost and funding implications of each Proposal.

Other issues raised included the requirement for costs to be generated for each Proposal and on intellectual property rights where xoserve develop a service in response to a specific request.

3. TD responded to a query from CWr and confirmed that the Joint Office would be able to take instructions from respondents for delayed publication of any representation submitted ahead of a consultation deadline.

3.0 Next Meeting

20 December 2007, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 15 November 2007

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV 1020	18/10/07	2.0	Consider and outline, at the Workstream, their response to Ofgem's request that, in future, UNC legal text include a commentary	All Transporters (BG, CW, LS, RCH, RH)	Transporters agreed in principle Closed

* key to initials of action owners BG = Beverley Grubb, CW = Chris Warner, LS = Liz Spierling, RCH = Robert Cameron-Higgs, RH = Ritchard Hewitt