

## Governance Workstream Minutes

### Thursday 19 October 2006

### 350 Euston Road, London

#### Attendees

Tim Davis (Chair)	(TD)	Joint Office
Alex Barnes	(AB)	BG Group
Alan Raper	(AR)	National Grid UKD
Beverley Grubb	(BG)	Scotia Gas Networks
Christiane Sykes	(CS)	Statoil
Chris Wright	(CW)	British Gas Trading
David Edward	(DE)	Ofgem
John Bradley	(JB)	Joint Office
Liz Spierling	(LS)	Wales and West Utilities
Mark Freeman	(MF)	National Grid UKD
Mike Young	(MY)	British Gas Trading
Phil Broom	(PB)	Gaz de France ESS
Robert Cameron Higgs	(RCH)	Northern Gas Networks
Ritchard Hewitt	(RH)	National Grid NTS

#### 1. Minutes from Previous Workstream

Were accepted without amendment.

#### 2. Review of Actions

**GOV 1018 BG to provide a scope and status update on a “house keeping” Proposal for the Modification Rules.**

BG reported that she was still considering raising a Proposal.

**Carried Forward**

#### 3. Modifications

Ofgem had rejected the following Proposals:

- 0056: “Extending established Unified Network Code governance arrangements to include the Code Credit Rules referenced in section V3.1.2”
- 0063: “Extending established Uniform Network Code governance arrangements to include the GRE Invoice Query Incentive Scheme Methodology document referenced in Section S4.6”
- 0064: “Extending established Uniform Network Code governance arrangements to include the CSEP Ancillary Agreement document referenced in Section J 5.9”

Ofgem were minded to approve the following Proposals and were discussing the legal text with the relevant Transporter:

- 0053: “Extending established Uniform Network Code governance arrangements to include the Network Code Operations Reporting Manual referenced in Section V9.4”
- 0059: “Extending Established Unified Network Code governance arrangements to include the Network Code Validation Rules document referenced in Section M1.5.3”

*(Post meeting note: Ofgem approved these Proposals on 20<sup>th</sup> and 23<sup>rd</sup> October 2006 respectively)*

#### 4. Topics

##### 4.1. 010GOV Workstream Organisation

LS stated that she wished to proceed with discussion of this Topic when time and resources permitted. It was agreed that this Topic remain on hold.

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TD took the opportunity to examine the implications of variation of a Proposal for which alternatives had been raised. In his view the Modification Rules Paragraph 6.5.4 made it clear when a Variation Request is considered by the Modification Panel, the original Proposal is deemed to be withdrawn. In consequence, it could be argued that the Alternative Proposals, which proceed through the modification process together with the original Proposal, would also be deemed to be withdrawn. If the Panel determined a Variation Request was material and that consultation should recommence, this would open the opportunity for Alternatives to be raised. For a non-material change, however, the Modification Rules would not provide an opportunity for a party to raise an Alternative Proposal.

RH stated that he did not believe this was the intention of Proposal 0078 and had consulted National Grid's lawyers who had come to a different conclusion to the Joint Office regarding interpretation of the Modification Rules. The Workstream agreed that the common sense solution would be for alternative Proposals to be retained for Authority decision even if the original Proposal had been varied. TD stressed the Joint Office's desire for certainty as to how Alternatives should be treated in the event that either the Original or an Alternative Proposal was subject to a Variation Request.

As it would be up to the Authority to make the approval decision in the case of a Proposal with one or more associated Alternatives, the Workstream requested DE to seek the view of Ofgem lawyers on this point.

**Action GOV 1019: DE to seek an Ofgem view on whether the receipt of a Variation Request would cause any Alternative Proposals to lapse.**

**5. Any Other Business**

None

**6. Next Meeting**

16 November 2006 following the UNC Committee meeting.

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**Action Log – UNC Governance Workstream 19 October 2006**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner*</b>	<b>Status Update</b>
GOV 1018	17/08/06	2.	Provide a scope and status update on a "housekeeping" Proposal for the Modification Rules	Scotia Gas Networks (BG)	Carried Forward
GOV 1019	19/10/06	4.1	Seek an Ofgem legal on whether the receipt of a Variation Request would cause any associated Alternative Proposals to lapse	Ofgem (DE)	

\* key to initials of action owners

BG – Beverley Grubb, DE – David Edward