

**JOINT GOVERNANCE ARRANGEMENTS COMMITTEE**  
**MINUTES OF THE 38<sup>th</sup> MEETING HELD ON MONDAY 18 April 2016**

**Attendees:**

**Representatives:** H Chapman (HC), Alternate for Scotia Gas Networks; J Goonesinghe (JG), Alternate for National Grid NTS; P Rogers (PR), National Grid Distribution; S Edwards (SE), Wales & West Utilities and S Parker (SP), Northern Gas Networks (Chair)

**Joint Office:** L Jenkins (LJ), H Cuin (HCu).

**Apologies:** A Musgrave, Scotia Gas Networks and C Logue, National Grid NTS

**Also in attendance:** N/A

**38.1. Introductions**

SP introduced proceedings, noting that all members or their appointed alternates were present.

**38.2. Review of Minutes and Actions**

The minutes from the last meeting were approved.

**JGAC3401:** All Transporters to track and record costs (financial and hourly) incurred for the provision of legal text for 6 months starting 01 April 2015 and report to the JO ahead of the October meeting.

**Update:** SP confirmed there was no update expected this meeting. However this item would need to be considered at strategy future session. **Carried forward.**

**JGAC3602:** *Audio conferencing equipment upgrading (JO)* - LJ to conduct research into availability and cost of providing appropriate improved audio technology for use in JO meetings and report on options

**Update:** LJ advised that he has been reviewing the options available for the Joint Office. Following recent discussions with National Grid's telecoms providers some progress has been made and a multi microphone system has been successfully tested. He anticipated procuring a system with four microphones at a reasonable cost for the Joint Office relocation. **Closed.**

**38.3. 2015/16 Year End Financial Update**

LJ provided a brief overview of the current financial performance for the Joint Office to date. He reported a good second half year, with an underspend. He confirmed that infrastructure costs had come under some pressure as more robust support was put in place, but savings had been realised by avoiding extra Panel meetings through careful management of Urgent procedures and timelines.

LJ provided an update on London venues confirming that Energy UK and Elexon had been secured with the option of using National Grid's Strand Office by exception. He reported that the Joint Office have looked into using over 50 London venues, however a number of these have been discounted due to a common problem with the availability and additional costs associated with AV and teleconference equipment which were charged separately and at an unreasonable rate.

It was confirmed that the final invoice required approval from Scotia Gas Networks. HC confirmed this would be highlighted to Andy Musgrave for approval.

**38.4. 2015/16 Year End Review of performance against JO Objectives**

LJ confirmed that a table had been provided to members to illustrate the year-end performance, with another version setting out what to expect for 2016/17 objectives. The JO objectives filter down into individual performance targets for JO staff.

LJ reported that there had been no breaches in Governance, no faults with incorporating legal text changes, all reports had been published when planned, all EU code changes had been implemented as expected, all meeting documentation had been published within the 5 day target and there were no late meeting notices unless there had been a need for a short notice meeting and this had been agreed.

LJ reported that there had been a small decline in Customer Satisfaction than previous years. Overall for 2015 there was an 88% satisfaction rating across the full year, which was deemed an acceptable level.

LJ highlighted there as an 80% recorded satisfaction for the website. He recognised that the website was a little dated with some users finding it difficult to navigate. However regular users have asked for the website not to be changed. LJ explained that the Joint Office would work on some ideas to make the navigation and layout clearer and these would be consulted upon later on in the year.

LJ reported in terms of efficiency that a major step forward had been taken with the implementation of pre-modification engagement. He reported that early signs are showing good results. Discussions are taking place ahead of raising modifications with Workgroups and better quality modifications are being raised as a result.

PR observed that the 2016/17 objectives were broadly the same as last year, however he noted that the Customer Satisfaction had been adjusted based on the 2015 outcome. LJ confirmed that the Joint Office has been focused on improving overall governance and it was inevitable that some parties might not fully appreciate all of the consequences, with a knock-on impact on satisfaction levels. However, based on informal feedback, a broad cross-section of parties were more supportive of such initiatives and this seen to be just as valid as the views expressed in the satisfaction report.

HC suggested the target for customer satisfaction should be set at 88% based on the 2015 results and to maintain current levels rather than setting a standard at 85%. Members agreed 88% should be the target satisfaction rating.

It was questioned based on recent feedback whether the Customer Satisfaction survey was asking the right questions to gauge performance and if there was the appropriate balance for responses. LJ explained that the current thinking on satisfaction surveys was that neutral views were not particularly helpful; respondents should be asked to provide a distinct view of satisfaction or dissatisfaction. He further explained that this respondent had been advised of the JO view and that it was appropriate to wait and see what Ofgem concluded under CGR3 with respect to satisfaction surveys.

The committee briefly discussed the CMA proposals and that this will need to be considered going forward, as it is likely to end up very different to the current role of the Joint Office.

JGAC members collectively thanked the Joint Office for the work undertaken.

### **38.5. 2016 Q1 Customer Satisfaction and CACoP KPI Reports**

SP gave an overview of the 2016 Quarter 1 Customer Satisfaction survey. He highlighted that generally it would appear that Transporters have a good view of the Joint Office however Shippers sometimes have a different perspective.

LJ acknowledged that some parties might have a perception that Transporters receive more favourable treatment. However he assured JGAC that the Joint Office work hard with all parties. He was aware that some Shippers are not as satisfied as

others especially now there is a drive to improve the articulation of modifications, but stressed that all received the same level of challenge and support.

LJ summarised the Quarter 1 KPIs with good progress. He explained that the level of modifications reaching maturity had reduced in the first quarter compared to last year. The number of self-governance modifications are increasing which runs in line with Ofgem's SCR position where the assessment should default to self-governance. He believed the change in self-governance assessment would have very limited impact to the industry and the change in focus would be easily managed.

PR speculated that the change agendas for this year might have reduced the number of submitted modifications. LJ reported in comparison to last years quarter there was around 30 modifications in the assessment process compared to 10 or so this quarter. He acknowledged that there is a definite fall-off of modifications being raised however the modifications being assessed involve significant changes. The JGAC members anticipated an increase in modifications following Project Nexus implementation.

### **38.6. Annual JGAA Review**

SP explained the need to undertake an annual review of the JGAA.

It was agreed that each member would review the JGAA and provide any comments or required updates to LJ ahead of the next meeting. If no comments are received it will be assumed that the JGAA is satisfactory as it stands and the review will be concluded.

**Action JGAC 3801: All members to review the current JGAA and provide the Joint Office with any comments or required updates ahead of the next meeting.**

### **38.7. JO office – relocation to Consort House (update)**

LJ advised that the Joint Office expect to relocate to Consort House next month and Xoserve will be moving to Landsdown Gate. The move to Consort House for the next 12/14 months will allow other options to be considered along with the CMA and other industry changes.

SE enquired if Landsdown Gate would be an option for the Joint Office and the specific requirement for the Joint Office being walking distance from a railway station. LJ explained the challenges of encouraging parties to attend meetings in Solihull and how he was attempting to balance location with individual travelling commitments. In the short-term it was hoped to keep the Joint Office location as close to the Solihull station as possible.

### **38.8. Any Other Business**

#### **a) CMA consultation**

LJ confirmed his intention not to provide a response to the consultation. He explained the reasons behind this decision, as there was clear direction in which the consultation was heading there would be limited benefit responding.

#### **b) Panel Chair**

Picking up the earlier JGAC agreement to seek a term extension for Alex Plant as the independent chair of the Modification Panel, LJ explained that Panel members had been consulted on the proposed extension, which was consistent with a similar position for CUSC and had been agreed with Ofgem. Panel is expected provide its final recommendation to Ofgem this week and then a formal 'request to extend' will be made for Ofgem to consider in due course. The Committee agreed that LJ should proceed as described, and that they did not wish to review the request letter.

**38.9. Diary Planning and Content of Next Meeting**

JGAC (2016) meetings will take place as follows:

Time/Date	Venue	Agenda
10:00 - 11:00, Monday 18 July 2016	Via teleconference	2015/16 Financials JGAA Annual Review

Action Table					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>JGAC 3401</b>	17/03/15	34.2	All Transporters to track and record costs (financial and hourly) incurred for the provision of legal text for 6 months starting 01 April 2015 and report to the JO ahead of the October meeting.	All	<b>Carried forward</b>
<b>JGAC 3602</b>	19/10/15	36.4a	<i>Audio conferencing equipment upgrading (JO)</i> - LJ to conduct research into availability and cost of providing appropriate improved audio technology for use in JO meetings and report on options.	JO (LJ)	<b>Closed</b>
<b>JGAC 3801</b>	18/04/16	38.6	All members to review the current JGAA and provide the Joint Office with any comments or required updates ahead of the next meeting.	All	<b>Pending</b>