

## Governance Workstream Minutes

### Thursday 18 August 2005

### 10 Old Bailey, London

#### Attendees

Tim Davis (Chair)	(TD)	Joint Office of Gas Transporters
Julian Majdanski	(JM)	Joint Office of Gas Transporters
John Bradley	(JB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Gas DN
Beverley Grubb	(BG)	Scotia Gas Networks
Mick Curtis	(MC)	$e=mc^2$
Mike Young	(MY)	BGT
Paul Roberts	(PR)	National Grid Gas NTS
Robert Cameron Higgs	(RCH)	Northern Gas Networks
Stephanie Gott	(SG)	Gemserv
Samantha McEwen	(SM)	Ofgem
Sharif Islam	(SI)	Total

#### 1. Minutes from Previous Workstream

The minutes from 21 July 2005 were accepted.

#### 2. Review of Actions

##### 003 Gov Appeals Process

Jon Dixon has been in touch with the Competition Commission but it has not responded. Ofgem will advise further when a response is received. **Action Ofgem**

##### 004 Gov Panel Processes and Timings

TD had submitted the proposal for optional use of the Modification Report proforma for submission of consultation representations to the August Panel Meeting. This proposal, which was for voluntary use of the proforma had been agreed by the Panel. **Action Closed**

The Joint Office website now included a link to the "Principles of Good Governance" document on the Ofgem website. **Action Closed**

**4.2 Project Management.** It was agreed that the action accepted by Ofgem would be carried over to the next meeting **Action Ofgem**

#### 3. Review of Modifications and Topics Log

##### 3.1. Modifications

**040 'Variation of Proposals in the light of a Competition Commission Direction'** Advice to be obtained from Ofgem following response from the Competition Commission.

**039 'Removal of 9.5.5 of the Modification Rules'** Consultation in progress.

**010 'Amendment to the Minimum Notice Required for UK Link Changes'** Revised legal text submitted to Ofgem and revised Final Modification Report to be submitted to the industry. The need for consultation on the legal text will be discussed at the Panel Meeting on 1 September 2005.

**004 'Changes to the Network Code to Facilitate the Sale of Gas Distribution Networks'** Joint Office will contact the Proposer about whether this Proposal is still required. Ofgem may be requested for a view on whether this Review Proposal should be retained.

**003 'Review of the Modification Rules'** BGT will consult with other interested parties and decide whether to withdraw this Proposal or re-activate it as a vehicle for changes in the Modification Rules.

### 3.2. Topics Not Discussed in Detail

#### 002Gov 'UK Link Modification Classes'

This Topic would be discussed further on 8 September 2005.

#### 003Gov 'Appeals Process'

Discussion was held over until Ofgem received a response from the Competition Commission.

#### 005Gov 'SME Roles and Responsibilities'

TD pointed out that it had been previously agreed that discussion on this would be deferred until September. Sharif Islam reiterated the concerns expressed at the August Transmission Workstream about the manner in which proposals were being developed but it was agreed that discussion on this be held over to September.

### 4. 004Gov 'Panel Processes and Timing'

It was suggested that the "main" Panel Meeting should set the agenda of any "intermediate" Panel Meetings. The main principle agreed was that intermediate meetings should be restricted to business indicated by the Main Panel, or in Ofgem decisions on urgency, and should generally relate to recommending implementation or otherwise.

BG suggested that transparency of Panel Processes would be assisted if Modifications were listed on the Gas Governance website. Joint Office pointed out that they were already on GTIS but would look into the practicalities of a list updated weekly. **Action TD**

After discussion on the implications of having more than one Panel Meeting per month, TD said that the JO would continue to attempt to align Panel Meetings with Workstreams.

TD also said that the JO had prepared a presentation on Panel/Joint Office processes. He offered to present when required. The response was that it should be made at the September Workstream meeting and circulated five working days in advance. **Action TD**



"Modification Panel Processes.ppt"

[Copy of presentation attached for reference]

The potential for a fixed date for DMR production was raised so that people would be able to schedule work. It was argued it would be a better option for the Panel to set a fixed date for consultation responses so that if the DMR was out early respondents' workload could still be scheduled but there would be an opportunity for longer consideration. JM said this potential already exists but counselled care if the DMR production extended beyond the standard. Pre-consultation by the proposer with the prospective SME was suggested but it was pointed out that the SME would not be appointed until the Panel decides to proceed to consultation.

SM suggested that people in general wanted progress to be made as quickly as possible and that a fixed end-date was not generally desirable. It was therefore agreed that a more pragmatic approach was preferable so that fixed end-dates could be applied by the Panel where appropriate but not applied generally.

TD also agreed to issue a timeline note explaining how Proposals are synchronised with Panel Meetings. **Action TD**

#### 006 Gov Production of Legal Text

JM explained that any Proposer can provide text. At the FMR stage, the Transporter has to provide text if the Panel recommends implementation of a User proposal.

For Transporter proposals, legal text has to be provided at the onset of consultation.

Discussion then proceeded on how legal text may be amended if it were established that it didn't meet the intent of the Proposal.

TD pointed out that legal text is part of the Proposal and therefore should not be varied after the onset of consultation. However, where clarity is added as a result of consultation, a pragmatic

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approach would be to allow changes providing the main aspects of the Proposal were retained. This might lead to grey areas but suggested that Ofgem might decide on the legitimacy of such a change when it reaches its decision on implementation.

MY suggested that the Panel should be able to request legal text to support consultation. TD suggested that this requirement could be introduced to the Modification Rules by a relatively simple UNC modification. MY agreed to consider raising it as a Proposal. **Action MY**

TD outlined the sequence for use of the Transporter's legal resources that had been agreed.

It was agreed that Proposers submitting legal text should endeavour to use change marking to clarify where the relevant Code would be changed in the event of implementation.

It was agreed that this Topic could now be closed.

## **5. Any Other Business**

MY suggested that the LDZ Shrinkage Forum should be managed by the Joint Office. TD responded that the JO would only be able to take this on if the JGA Committee requested it.

SI asked whether the scope of 005Gov covered the Workstream development process. This was confirmed. He volunteered to prepare a note on the subject, highlighting the concerns expressed.

**Action SI**

## **6. Next Meeting**

Thursday 8 September following the UK Link Committee Meeting on Topic 002Gov "UK Link Modification Classes"

Thursday 15 September following the UNC Committee Meeting.

Agenda items identified were:

Preparation of Workstream Report on Proposal 0040 : Variation of Proposals in light of a Competition Commission direction;

Topic 004Gov: Presentation on Panel Role and Responsibility;

Topic 005Gov: SME Roles and responsibilities; and

Topic 007Gov: Alternate proposals.