

Governance Workstream Minutes

Thursday 16 March 2006

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Beverley Grubb	(BG)	Scotia Gas Networks
Charles Ruffell	(CR)	RWE Npower
Christiane Sykes	(CS)	E.ON UK
Chris Warner	(CW)	National Grid UKD
Dipen Gadhia	(DG)	Ofgem
John Bradley	(JB)	Joint Office
Jonathan Dixon	(JD)	Ofgem
Julian Majdanski	(JM)	Joint Office
Liz Spierling	(LS)	Wales and West Utilities
Mick Curtis	(MC)	$e=mc^2$
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
Steve Ladle	(SL)	Total
Shelley Rouse	(SR)	Statoil

1. Minutes from Previous Workstream

Were accepted with the exception that Christiane Sykes should have been recorded as an attendee.

2. Review of Actions

GOV 1005 Ofgem to consider concerns regarding Urgent timetables particularly that if the Panel was expected to make a recommendation, additional time should be built into the timetable.

Ofgem responded that, if time allows, for an Urgent Modification Proposal, it would ensure that there was adequate time for Panel Review but could not commit to an assurance of a set number of days. Ofgem, as part of its normal working practices, reviews the processes followed in Urgent Modifications including any feedback received.

TD suggested that the only way in which urgent processes could be fundamentally changed would be through a Modification Proposal. For example, a proposal might be raised that required a Panel meeting to decide whether to recommend Urgency to Ofgem.

It was pointed out that within Ofgem's grounds for decision to apply Urgent processes there was no specific rule that addressed the fact that urgency would only be granted if normal Modification Processes could not deliver the required outcome in the required time. MY acknowledged this but suggested that it was implicit in the decision of applying for urgency, and JD said it was implicit in decisions granting urgency.

As a result of the Ofgem response and the ensuing discussion, it was agreed that this action would be closed. **Action Closed**

GOV 1006 SGN to consider raising "housekeeping" aspect of Proposal 0070 assisted by National Grid NTS and UKD

SGN were still considering this.

Action Closed

GOV 1007 National Grid UKD to issue proposal reflecting discussion, including revision to its suggestions in respect of notice of variation.

NG UKD have raised Modification Proposal 0078 "Variation/Withdrawal of a Modification Proposal.

Action Closed

GOV 1010 Joint Office to consider current UK Link Processes and bring suggestions for improvements to the March Workstream

See agenda item 4.2 below.

Action Closed

GOV 1011 Joint Office to consider current Modification Rules in respect of alternative proposals and bring suggestions for improvements to the March Workstream

See agenda item 4.1 below.

Action Closed

3. Modifications

None to be discussed.

4. Topics

Topic 007GOV: Alternative Proposals

JM gave this presentation.

TD pointed out that things had moved on, in so far as under UNC there is no limit to the number of alternatives and any Code signatory can raise them. DG said that there was no concept of alternatives within the BSC but there was in the CUSC. CW reminded the Workstream that in the credit mods, the Panel had agreed that they proceed together even though they had separate numbers. SL saw the benefit for the Proposer of an alternative in that a timescale was guaranteed. TD recognised this but suggested that, currently, some Draft Modification Reports were issued the day after the Panel decision. This would reduce the period of consultation in respect of the alternative by up to four days. This might be important if a shorter consultation period had been agreed by the Panel.

JM suggested in the presentation that provision of a formal alternative be discarded as there were other means of linking proposals already available to the Panel. SL responded that the current situation could be described as the best of both worlds. RH was concerned that an alternative could delay progress of the original proposal. BG said that, in the extreme, the Panel could decide to go to consultation even if more development was required on the alternative.

DG offered to provide a presentation on the CUSC model at the next meeting. CS welcomed the offer but suggested that the Workstream should first identify that the status quo was unsatisfactory. CW felt that there was a value in ensuring two linked proposals going through the process together and therefore that the status quo be retained.

It was agreed that this Topic be closed and that Ofgem's offer of a presentation would be declined.

In drafting the "tidy-up" Modification Proposal, BG offered to consider including one aspect – retaining an alternative in the event of withdrawal of the "parent" proposal.

Topic 009GOV: UK Link Processes

JB gave this presentation. He explained that whilst members of this Workstream had suggested the concept of voting rights, the UK Link Committee had operated successfully on the basis of consensus. JD queried how consensus was assessed. JB referred to the Chairman's Guidelines, which defined consensus as general agreement. SL asked whether members were clear on their rights of approval. JB stated that it was made clear when the Committee was being asked to agree on any matter such as an Implementation Plan and the minutes recorded it as agreement by consensus. The Workstream suggested that there must have been cases where unanimous agreement had not been achieved amongst the members. MC stated that, in his experience, xoserve would work together with any objecting party to come to an agreed outcome even if this had delayed approval of a plan until the next meeting. There was always the right to take a proposal to the UNC Committee but this had not been exercised in the last few years.

CS queried whether the powers of the UK Link Committee were understood. JB responded that the main powers of the Committee were to set-up the performance audit – which it had never exercised - and to approve implementation plans. MC added that approval of the plan included file formats.

In his presentation JB stated that the JO was working on drafting Terms of Reference, which would not go any further than the terms of UNC TPD Section U but may be a useful summary. The JO was also working on process flow charts. The Workstream agreed that this would be useful.

On the subject of Class 1 UK Link Mods, JB set-out the main criteria that had been agreed in principle by the UK Link Committee. MC identified the need for Users to be assured that individual changes did meet these criteria. TD suggested that if the Transporters submit the list and brief details of current Class 1 UK Link Modifications to each UK Link Committee, members would receive that type of assurance.

Action GOV1012. JO to request xoserve to submit list and brief details of current Class 1 UK Link Modifications to each meeting of the UK Link Committee.

On the subject of Class 3 UK Link Modifications, there was general agreement that the proposer of the change request should be able to raise the consequent UNC Modification Proposal. The idea of a budget for Class 3 UK Link Modifications, however, attracted no support.

The issue of how to allocate the costs of implementing Class 3 UK Link Modifications was discussed. JD expressed the opinion that a single User funding a change that only it could use was not unduly discriminatory. RH suggested that this could be a way of funding a change but if a second User wished to use that functionality a charge of half the cost could be made with the proceeds being paid to the first User? This general principle of equal payments could be followed with each subsequent User.

It was decided that it would be worthwhile comparing UK Link processes with those adopted within the electricity industry. The following action was therefore agreed:

Action GOV 1013 PB to procure an outline of the change request process that operates alongside the BSC and to make a presentation on this to a subsequent Workstream

5. Any Other Business

None

6. Next Meeting

20 April 2006 following the UNC Committee meeting.

Action Log – UNC Governance Workstream 16 March 2006

GOV 1005	15/12/05	2	Ofgem to consider concerns regarding Urgent timetables particularly that if the Panel was expected to make a recommendation, additional time should be built into the timetable.	Ofgem (SM)	Ofgem outlined ongoing process of consideration Action Closed
GOV 1008	19/01/06	3.4	SGN to consider raising “housekeeping” aspect of Proposal 0070 assisted by National Grid NTS and UKD	Scotia Gas Networks (BG) National Grid UKD (AR) and NTS (RH)	Action Closed
GOV 1009	16/02/06	4	National Grid UKD to issue proposal reflecting discussion, including revision to its suggestions in respect of notice of variation.	National Grid UKD (AR)	Proposal issued Action Closed
GOV 1010	16/02/06	5	Joint Office to consider current UK Link Processes and bring suggestions for improvements to the March Workstream	Joint Office (JB)	Presentation given Action Closed
GOV 1011	16/02/06	5	Joint Office to consider current Modification Rules in respect of alternative proposals and bring suggestions for improvements to the March Workstream	Joint Office (TD)	Presentation given Action Closed
GOV 1012	16/03/06	4.2	Request xoserve to submit list and brief details of current Class 1 UK Link Modifications to each meeting of the UK Link Committee.	Joint Office (JB)	
GOV 1013	16/03/06	4.2	Procure an outline of the change request process that operates alongside the BSC and to make a presentation on this to a subsequent Workstream	Gaz de France ESS (PB)	

* key to initials of action owners

JB – John Bradley, RH – Ritchard Hewitt, AR – Alan Raper, BG – Beverley Grubb, PB – Phil Broom, TD – Tim Davis