

Governance Workstream Minutes

Thursday 18 September 2008

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Alan Raper	(AR)	National Grid UKD
Bob Fletcher (Secretary)	(BF)	Joint Office
Chris Hill	(CH)	RWE npower
Chris Warner	(CWa)	National Grid UKD
Chris Wright	(CWr)	British Gas
Joel Martin	(JM)	Scotia Gas Networks
Julian Majdanski	(JMa)	Joint Office
Jenny Boothe	(JB)	Ofgem
Phil Broom	(PB)	Gaz de France
Richard Fairholme	(RF)	EON UK
Richard Hewitt	(RH)	National Grid NTS
Richard Street	(RS)	Corona Energy
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy

1.0 Introduction and Status Review

1.1 Minutes from Previous Workstream

Accepted without amendment.

1.2 Review of Actions

Action GOV 11036: National Grid UKD to develop a proposal for recovery of stranded costs.

Action to be carried forward. **Carried Forward**

Action GOV1037: Provide their views and comments for TD to present at Ofgem Governance Review meeting on 28 August.

Action Closed

1.3 Review of Live Modifications Proposals and Topics

See below.

2.0 Modifications

It was noted that the Modification panel had agreed that Modification Proposal 0213 should be reconsidered in light of draft legal text which National Grid Distribution had offered to provide.

3.0 Topics 013Gov, Industry Codes Governance Review

TD gave a brief overview of the Industry Codes Governance Review meeting chaired by Ofgem on the 28 August 2008 and advised the next meeting was planned for 1 October 2008. The meeting then went on to discuss (as recorded below) points on an issues log provided by Ofgem (available on both the Joint Office and Ofgem websites) and how the UNC governance arrangements compared to those of other codes and the issues highlighted in the log.

The meeting discussed how the governance process could be modified to encourage smaller parties (although clarity was sought on the definition of a “smaller party”, which, for example, might be based on supply point share, volume share or parent company size), new entrants and consumers to participate more. RS thought larger end consumer representatives did get involved where Proposals impacted them directly. However, he did not feel this was the same for medium or smaller I&C consumers and their representatives. SL added that energywatch used to have a small enterprise section, though he was unsure how this would be managed in future. There are also a number of consultants who provide regular updates on the various Code administration processes.

It was recognised that the process is open and available to all, for example through meeting attendance, though participation cannot be mandated. TD added that the Joint Office is rarely asked questions by smaller players about the administration of UNC. RS asked if there was any information available/accessible to support potential new entrants. J confirmed that Ofgem has published information about industry participants. There is a summary of the UNC on the Joint Office website.

JB raised a point about accessibility of the different industry web sites and whether there should be a standard approach/terminology used by all parties to help with accessibility.

The group discussed whether there would be advantages in the Panel raising its own Modification Proposals, such as for housekeeping purposes. CWr thought it could be useful though it may impact the flexibility of current administration as the process may require very rigid rules. Doubts were also expressed about the merits of the Panel making an implementation recommendation on its own Proposal.

TD asked if the group thought the Joint Office should be responsible for developing legal text as with other codes. Views from DNOs were mixed, with a number sympathetic to the suggestion and others opposed.

The group considered the duration of the modification process and whether the process should be less flexible with fixed timescales and process steps. CWr thought this was less of an advantage though RF thought that there should be more formality around implementation dates and timescales for modifications once these were approved.

TD asked if the group thought it might be preferable to restrict attendance at Workstreams and Workgroups, helping to ensure attendance by parties who were suitably qualified. SL thought this was less likely to encourage participation by smaller parties or new entrants.

TD asked if Ofgem wanted more detail regarding implementation recommendations in the minutes of Panel meetings? JB replied this would be desirable as it would be likely to help Ofgem in their decision making.

SL asked if it is possible to have a cost comparison for administration of the various codes. JB advised that information wasn't currently robust enough for this analysis to take place.

RS asked if it is possible for a party to seek judicial review and challenge the implementation of a Modification. TD advised that he had no knowledge of a challenge of this type taking place and it would be up to each party to consider such an action on its risks and merits.

ST asked TD if he could mention the desirability of standardisation of Transmission documents across the various codes at the next Industry Codes meeting.

CWr asked if there was more or less potential for parties to filibuster within the existing code governance processes. TD thought this was unlikely to happen under the UNC and current evidence is that parties tend to participate in the process positively and prevent undue delays.

4.0 Any Other Business

None

5.0 Next Meeting

16 October 2008, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 18 September 2008

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV1036	07/07/2008	2.0	Develop a proposal for recovery of stranded costs	National Grid UKD (AR)	Ongoing
GOV1037	21/08/2008	1.3	Provide their views and comments for TD to present at Ofgem Governance Review meeting on 28 August	All	Closed