

Governance Workstream Minutes

Thursday 18 December 2008

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Bob Fletcher (Secretary)	(BF)	Joint Office
Alex Barnes	(AIB)	BG Group
Bali Dohel	(BD)	Scotia Gas Networks
Chris Wright	(CWr)	British Gas Trading
John Bradley	(JB)	Joint Office
Jon Dixon	(JD)	Ofgem
Joel Martin	(JM)	Scotia Gas Networks
Phil Broom	(PB)	Gaz de France
Richard Fairholme	(RF)	EON UK
Ritchard Hewitt	(RH)	National Grid NTS
Robert Cameron-Higgs	(RCH)	Northern Gas Network
Roddy Monroe	(RMo)	Centrica Storage
Rosie McGlynn	(RM)	EdF Energy
Simon Trivella	(ST)	Wales and West

1.0 Introduction and Status Review

1.1. Minutes from Previous Workstream

Accepted without amendment.

1.2. Review of Actions

Action GOV 1039: Gas Transporters to confirm if they wish the Joint Office to manage the publication and governance of the LDZ CSEP NExA.

This has been confirmed.

Action Closed

1.3. Review of Live Modifications Proposals and Topics

See below.

2.0 Modifications

2.1 UNC0213 Introduction of User Pays Governance Arrangements into the UNC And UNC0213 User Pays Guidance Document

JM confirmed no further comments had been received on the guidance note.

It was noted that the Panel had determined that the varied Proposal, 0213V, be issued for consultation.

3.0 Topics 013GOV - Industry Codes Governance Review

JD gave an overview of the industry codes governance meeting held on the 17th December investigating potential quick wins, and also planned and existing Ofgem consultations. While the focus had been on the electricity governance process, a number of issues had been raised around consistency, transparency and accessibility of the respective codes governance processes.

The consultation on charging methodologies is due to close in January. Electricity distribution network charges had been running ahead of this, but the proposed Licence changes had not been accepted. The reasons for non-acceptance did not include any concerns about governance (such as all parties raising change proposals) and, in light of this and the ongoing consultation, Ofgem may produce further views on the application and consistency of governance for charging methodologies.

JD outlined the consultation document which consider suggest changing the governance process such that Ofgem is responsible for taking forward, for example, major public policy issues or issues that go beyond an individual code to manage. It was envisaged that Ofgem could establish principles and then provide a direction to the appropriate bodies to develop and implement those principles. In addition, self governance is to be discussed and how industry may own issues which should not need Ofgem approval – for example, because no consumer impact is anticipated. Another concern was the management of changes by governance bodies and whether they provide sufficient analysis and quality control over their processes. The consultation is likely to end in February.

RCH asked if the charging concern was the methodology for charging or the charges. JD replied this was mainly an exercise testing methodology rather than application. The consultation document aims to get a view from the industry and a follow up meeting is to be arranged in February to discuss comments.

JD advised that a consultation on environmental issues closes on 20th January, though this was again mainly focused on electricity, for example the connection of renewables. TD asked if there were any UNC Modification Proposals that might have a significant environmental impact. PB thought AMR related Proposals would do so in light of the potential impact on behaviours and so consumption patterns and levels.

4.0 CUSC Environmental Standing Group – Final Report to Panel

TD gave a presentation on the activities undertaken by the CUSC Environmental Standing Group and their final report, including investigating options to identify and quantify CO2 impacts - for example, building a new wind farm and the assumptions used to assess the environmental impacts through a changed generation mix.

5.0 Any Other Business

None

6.0 Next Meeting

22 January 2009, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 18 December 2008

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV1039	16/10/2008	4.1	Gas Transporters to confirm if they wish the Joint Office to manage the publication and governance of the LDZ CSEP NExA.	Gas Transporters	Closed