

Governance Workstream Minutes
Thursday 19 August 2010
ENA, 52 Horseferry Road, London

Attendees

Tim Davis (Chair)	TD	Joint Office
Bob Fletcher (Secretary)	BF	Joint Office
Alan Raper	AR	National Grid Distribution
Chris Shanley	CS	National Grid NTS
Chris Wright	CWr	British Gas
Clare Cameron	CC	Ofgem
Gareth Evans	GE	Waters Wye
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Jon Dixon	JD	Ofgem
Phil Broom	PB	GdF Suez
Richard Fairholme	RF	E.ON UK
Richard Healey	RH	RWE Npower
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

1 Introduction and Status Review

1.1 Minutes from the previous meeting were approved.

1.2 Actions updates from the previous meeting were discussed.

GOV1047: Amend the draft guidelines document based on comments received for presentation to the Governance Workstream.

UPDATE: ST advised the guidance document has been published and provided for comments. The majority of changes were corrections; however there may be some changes which merit further review. It is hoped to seek approval at the September Panel and ST requested members to provide comments within the next 5 days. **CLOSED**

GOV1054: Seek a view from Ofgem's lawyers on the definition of rights of appeal and what amounts to a majority vote at Panel.

UPDATE: CC advised the definition can be interpreted in two ways and would need to be tested to be clear that appeal rights could be impacted by any UNC change to the definition of a majority. **CLOSED**

GOV1056: Consider if the UNC Code Governance changes should be implemented before or at the same time as the licence changes.

UPDATE: To be considered once the Governance Review proposals have been submitted to consultation. **CARRIED FORWARD**

GOV 1057: Consider the comments received and amend the modifications as required.

UPDATE: Modifications amended. **COMPLETED**

GOV1058: Consider the comments received and amend the modification as required.

UPDATE: Modification amended. **COMPLETED**

2 Code Governance Review

2.1 Review Proposal 0267 – Review of UNC Governance Arrangements

TD asked if the Workstream was willing to accept the draft report published on the Joint Office website. Workstream members approved the report, which will be presented to the September Panel meeting.

2.2 Proposal 0312 - Introduction of Two-Thirds Majority Voting to the UNC Modification Panel

TD introduced the draft Workstream Report and asked if there were any comments on how implementation would impact the relevant objectives. CS expressed a view that the objectives should be measured against what is required by the Code Governance Review licence changes. RF was concerned that the process should not just reflect what Transporters are told to implement in the UNC to meet amendments to their licence.

CWr asked if the proposal still works when considering other governance proposals – for example, if voting requirements change to include separate voting for and against a determination. RF confirmed the drafting is based on the current situation and not what is proposed in the other governance proposals. CWr was unsure how two thirds would be reflected when abstentions were considered – was a two thirds majority of those who did vote required, or a two thirds majority of all potential votes?

ST advised he did not support the Workstream Report as drafted since there was a presumption that Transporters will vote in favour of proposals raised to comply with directions. He did not believe there was evidence to suggest Transporters will vote that way rather than looking at each case on its merits, and pointed to experience with exit and interruption reform where Transporter Panel representatives had not all voted as presumed in the Proposal. While there may be a justification for a higher hurdle, ST concluded that he could not support the justification in the Workstream Report. This was accepted by the Workstream, and the report was amended in light of the discussion.

JD asked for a clear enunciation of the defect in the UNC which the Modification was seeking to address. RF explained that this related to the ability to mount an appeal against modifications arising from directions. It was then agreed that completion of the report should be deferred to the next meeting to ensure the impact on the relevant objectives are understood and any benefits clearly identified. It was also agreed that legal text should be made available for consultation.

3 Topics

No further topics were discussed and no new topics raised.

4 Any other business

No other business raised.

5 Diary Planning for Workstream

Next Meeting

16 September 2010, Elexon, following the UNC Committee meeting.

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV1047	21/01/10	3.2.1	Amend the draft guidelines document based on comments received for presentation to the Governance Workstream.	National Grid NTS / Wales and West Utilities (RHe/ST)	CLOSED
GOV1054	17/06/10	2.3	Seek a view from Ofgem's lawyers on the definition of rights of appeal and what amounts to a majority vote at Panel.	Ofgem (JD)	CLOSED
GOV1056	29/07/10	2.0	Consider if the UNC Code Governance changes should be implemented before or at the same time as the licence changes.	Ofgem (CC)	Carried Forward
GOV1057	29/07/10	2.0	Consider the comments received and amend the modifications as required.	National Grid NTS (CS)	CLOSED
GOV1058	29/07/10	2.0	Consider the comments received and amend the modification if required.	National Grid Distribution (PL)	CLOSED