

Governance Workstream Minutes

Thursday 20 March 2008

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office of Gas Transporters
Alex Barnes	(AB)	BG Group
Beverley Grubb	(BG)	Scotia Gas Networks
Clare Temperley	(CT)	Gas Forum
Chris Warner	(CWa)	National Grid UKD
Chris Wright	(CWr)	British Gas
John Bradley	(JB)	Joint Office of Gas Transporters
Jon Dixon	(JD)	Ofgem
Julian Majdanski	(JM)	Joint Office of Gas Transporters
Liz Spierling	(LS)	Wales & West Utilities
Phil Broom	(PB)	Gaz de France
Robert Cameron Higgs	(RCH)	Northern Gas Networks
Richard Fairholme	(RF)	EON UK
Ritchard Hewitt	(RH)	National Grid NTS
Richard Street	(RS)	Corona Energy
Stefan Leedham	(SL)	EDF Energy

1.0 Introduction and Status Review

1.1 Minutes from Previous Workstream

Were accepted without amendment.

1.2 Review of Actions

None

2.0 Topic 013GOV Industry Codes Governance Review

TD updated the meeting with developments. A meeting entitled "Powering the Energy Debate" had been attended by Panel Members who commented on the emphasis given to renewables. A questionnaire had also been circulated by Brattle on behalf of Ofgem. The Workstream viewed the questions on the questionnaire. JD was asked why this review had tended to centre on issues with electricity codes in its examples. He responded that much of the emphasis on sustainability is concentrated on electricity, particularly renewable generation. This should not be taken as any lack of interest in the gas codes.

TD asked whether the Workstream had identified any "quick wins".

BG suggested that there was a tendency to struggle with doing impact assessments, partly because the information needed is often commercially confidential. She mentioned Modification Proposal 0175 "Encouraging Participation in the elective Daily Metered Regime" in this context. TD stated that there have been Proposals that the industry wanted to implement even if the benefits were intangible, for example domestic competition.

RH outlined the analysis that would need to be done to work out the costs of a Modification Proposal with substantial system aspects and concluded that two and a half man-years of effort would often be required just in the cost evaluation.

Turning to the impact of User Pays, PB suggested that in electricity, system evaluation costs were socialised and this might still be applicable for gas. JD responded that a number of funding options might be considered within a User Pays context. This might for example include a system evaluation budget held by Panel. As well as discussions on Proposal 0175 the difficulties Ofgem experienced making a decision on Modification Proposal 0149 "Gas

Emergency Cashout Arrangements: Keeping the On the Day Commodity Market open during a Gas Deficit Emergency” were mentioned.

TD highlighted the difficulty in gaining truly independent people to carry out an impact assessment. For example the impact assessment NERA carried out on the NTS Exit Arrangements for the Gas Forum was not considered to be impartial by all parties in the debate.

Both TD and JD emphasised to the fact that a number of Modification Proposal were small in impact and therefore don't justify extensive assessment.

3.0 Any Other Business

TD offered to develop alternative Panel Report formats that would be briefer. The Workstream agreed to the suggestion that the Joint Office bring a specimen report in the new format to the next meeting.

Action GOV 1032: JO to bring a specimen Panel Report to the Workstream that would provide the necessary information in a more concise form.

4.0 Next Meeting

17 April 2008, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 20 March 2008

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV1032	20/03/2008	4.0	Bring a specimen Panel Report to the Workstream that would provide the necessary information in a more concise form	JO (TD)	