

**JOINT GOVERNANCE ARRANGEMENTS COMMITTEE**  
**MINUTES OF THE 34th MEETING HELD ON TUESDAY 17 March 2015**

**Attendees:**

**Representatives:** A Musgrave (AM) Scotia Gas Networks; N Jamieson (NJ) (Chair) National Grid NTS; P Rogers (PR) National Grid Distribution; S Edwards (SE) Wales & West Utilities and S Parker (SP) Northern Gas Networks

**Joint Office:** L Jenkins (LJ), K Visgarda (KV) and H Cuin (HC)

**Also in attendance:** None

**34.1. Introductions**

NJ introduced proceedings and thanked the outgoing chair.

LJ introduced KV to the JGAC representatives.

**34.2. Review of Minutes and Actions**

The minutes from the last meeting were approved.

**JGAC3301:** PR/SE to ask the ENA if they would be able to circulate non-UNC related emails on behalf of Transporters.

**Update:** LJ confirmed ENA have agreed in principle to circulate non-UNC related emails. A test circulation list has been provided to ENA to establish if this can be utilised. LJ will complete the arrangements with Clare Cantle-Jones at the ENA.

**Closed**

**JGAC3302:** AM to provide an updated SPAA table for inclusion in the JGAA.

**Update:** LJ confirmed an updated SPAA table had been received. **Closed**

**JGAC3303:** PR to provide a detailed change marked version of the JGAA for comment and/or approval after final comments received from NJ and SP

**Update:** PR confirmed legal guidance had been sought on the changes. LJ explained the requirement to undertake an annual review however there was no time constraints on when this need to be concluded. It was agreed to approve the changes via correspondence with a view of issuing the final document to Ofgem in due course. **Carried Forward**

**JGAC3304:** Members to consider ways of tracking the costs for providing legal text or time employed.

**Update:** PR confirmed National Grid have considered having a shadow log of legal costs, for producing UNC legal text, to enable visibility for the community. National Grid were open to views on how this could be done. PR confirmed it would be relatively simple to track external costs as hourly bills are provided. It would also be relatively simple to track internal costs. Members discussed how to record costs and whether this ought to be a financial breakdown or simply reported in hours to avoid the provision of commercially sensitive data. LJ suggested that financial and hourly data may wish to be collated such that JGAC can consider what information is divulged externally. It was agreed that Transporters will track and record their Legal costs from 01 April 2015 for 6 months and provide a report to LJ for compilation ahead of the October JGAC meeting. **Closed**

**New Action JGAC3401: All Transporters to track and record costs (financial and hourly) incurred for the provision of legal text for 6 months starting 01 April 2015 and report to the JO ahead of the October meeting.**

**JGAC3305:** PR/NJ to circulate a copy of the NG Legal Text discussion paper to Members

**Update:** PR confirmed that National Grid Distribution and Transmission have considered the options relating to the centralisation of legal text. Discussions have taken place and National Grid, although comfortable with the drivers for a central provision, would still be keen to utilise their own legal team. PR believed this would not necessarily restrict a centralised option. PR confirmed that National Grid needs to finalise their paper, which outlines the pros and cons. SP was not sure of the practicalities of centralising legal provision for the non-NG Transporters if National Grid were to continue using their own resource. He explained that each Transporter balances all legal work using internal and external resources. Depending on the proportions of internal and external work, if a Transporter for example used an external resource for 80% of requirements for instance, this may have a different path/outcome if external spend was in the region of 50%. **Closed**

**New Action JGAC3402: National Grid to finalise and circulate their paper, which outlines the pros and cons of a central legal text provision.**

### **34.3. Consideration of 15/16 Joint Office Budget**

LJ advised that on 13 February 2015 an email was issued providing Transporters with a set of figures for the coming year. SE asked what the year-end figures would be. LJ expected the year-end figure to come in under £600k.

AM enquired about the costs of meetings increasing. LJ explained the pressures for additional meetings and requests for London venues, he confirmed with the expected ramp up of meetings for Project Nexus the £30k will be a 6-month cost.

NJ challenged the 5% increase in salary costs explaining that National Grid's expectation for staff costs is more in the region of 3%. LJ was willing to adjust the 5% increase down to 3%.

SE enquired about using previous year costs, as a cost base, before undertaking a forecast and considering outturn. SE was keen to understand the differentials between the two budgets. SE requested an illustration of movements and forecast.

It was agreed to sign off the final budget including staff costs via email.

**Action JGAC3403: LJ to update staff costs within the budget and seek budget approval via email.**

SP enquired about the move of Xoserve and how this would impact the Joint Office. LJ confirmed that National Grid are reviewing the likely locations and that costs of the move will be borne by National Grid.

### **34.4. JGAA Update post appointment of independent Panel Chair**

See Action JGAC3303 above.

### **34.5. Provision of Legal Text - consideration of NG options document**

NJ recapped earlier conversations and the agreement to record actual and hourly costs for 6 months from 01 April, to enable the provision of internal/external reporting and the need for National Grid to finalise and circulate their paper, which outlines the pros and cons of a central legal text provision.

### **34.6. Any Other Business**

None raised.

### 34.7. Diary Planning and Content of Next Meeting

JGAC meetings will take place as follows:

Time/Date	Venue	Agenda
09:00 – 10:00 Tuesday 16 June 2015	Via Teleconference	
10:00 – 11:00 Monday 19 October 2015	Via Teleconference	Legal Costs Quarterly Customer Satisfaction and CACoP KPI reports
10-11 Monday 25 January 2016	Via Teleconference	2015 (Annual) Customer Satisfaction and CACoP KPI reports
10-11 Monday 21 March 2016	Via Teleconference	2016/17 Budget JGAA Annual Review

**Action Table**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 3301	14/01/15	33.3	PR/SE to ask the ENA if they would be able to circulate non UNC related emails on behalf of Transporters	NGD (PR) WWU (SE)	<b>Closed</b>
JGAC 3302	14/01/15	33.4	SP to provide an updated SPAA table for inclusion in the JGAA.	NGN (SP)	<b>Closed</b>
JGAC 3303	14/01/15	33.4	PR to provide a detailed change marked version of the JGAA for comment and/or approval after final comments received from NJ and SP.	NGD (PR)	<b>Carried Forward/ Closed</b>
JGAC 3304	14/01/15	33.5	Members to consider ways of tracking the costs for providing legal text or timed employed.	All	<b>Closed</b>
JGAC 3305	14/01/15	33.5	PR/NJ to circulate a copy of the NG Legal Text discussion paper to Members	NGD (PR) NGNTS (NJ)	<b>Closed</b>
JGAC 3401	17/03/15	34.2	All Transporters to track and record costs (financial and hourly) incurred for the provision of legal text for 6 months starting 01 April 2015 and report to the JO ahead of the October meeting.	All	<b>Pending</b>

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 3402	17/03/15	34.2	National Grid to finalise and circulate their paper, which outlines the pros and cons of a central legal text provision.	NGD (PR) NGNTS (NJ)	<b>Pending</b>
JGAC 3403	17/03/15	34.3	LJ to update staff costs within the budget and seek budget approval via email.	JO (LJ)	<b>Pending</b>