

**JOINT GOVERNANCE ARRANGEMENTS COMMITTEE**  
**MINUTES OF THE 24<sup>th</sup> MEETING HELD ON FRIDAY 04 October 2013**

**Attendees:**

**Representatives:** A Musgrave (AM) (Scotia Gas Networks), S Parker (SP) (Northern Gas Networks), A Raper (AR) (National Grid Distribution), R Hewitt (RH) (National Grid NTS), and S Edwards (SE) (Chair, Wales & West Utilities)

**Joint Office:** T Davis (TD) and R Fletcher (RF)

**Also in attendance:** L Jenkins (National Grid)

**24.1. Minutes of last meeting and actions arising**

The minutes of the previous meeting are to be considered at the next full meeting.

**JGAC2301:** TD to draft a letter seeking Authority approval of Les Jenkins as the Panel Chair

**Update:** The letter was circulated to representatives for comment and issued to Ofgem.  
**Closed.**

**JGAC2301:** JF to provide proposed JGAA change to accommodate SEC implications

**Update: Carried Forward.**

**JGAC2303:** Representatives to provide a view on moving to the JO managing a centralised service for legal text provision

**Update:** See discussion under 24.2 below. **Carried Forward.**

**24.2. Centralised Service for Legal Text Provision**

Representatives agreed to reschedule this item to allow National Grid more time to consider the options. AR offered to establish views regarding the underlying issues so that options can be considered and presented to the next meeting.

**24.3. AOB****a) Panel Chair Change**

Ofgem had responded to the proposal that Les Jenkins be approved as the Panel Chair. SE summarised that Ofgem were seeking clarification on the selection process. He suggested National Grid and TD could draft a response, addressing the issues raised and explaining how the independence of the Panel Chair from National Grid could be demonstrated.

SP suggested the response should emphasise how the existing arrangements have worked to date; and that TD is not involved in day-to-day operations at National Grid.

RH asked what the appetite would be for JGAC to follow a similar process to CUSC in appointing an independent Panel chair. SP did not want to do this, believing due process had been followed. However, if Ofgem approval was withheld, he would be prepared to support whatever process Ofgem indicated is required. SE also felt it would be better to respond to the questions asked initially

and then consider options if and when Ofgem reject the JGAC nomination. AM similarly considered that JGAC had agreed a proposed appointment and should follow that process until Ofgem formally withhold approval.

AR pointed out that Ofgem have not expressed any issues with the appointment of the JO CEO, but were solely concerned with the Panel Chair appointment. He thought it likely that Ofgem will require the Panel Chair appointment process to be changed, but he was happy to continue with the existing process if the majority expressed that view. RH confirmed he would be happy to adopt a new process for selecting a Panel Chair at this stage, but would support the majority view.

AR was of the opinion that the roles of CEO and Chair could be separated. However, SP was concerned that it would be difficult to demonstrate separation would be efficient as it would incur additional costs and possibly a review of the Modification Rules to clearly define the roles of CEO and Chair, particularly during Panel meetings. AR added that the JO does not have to be independent, as it needs to meet the Transporters obligations. However, the chair must be seen to be so.

TD indicated that a number of Shippers have hinted that they are considering raising a modification such that the Panel Chair would no longer be appointed by the Transporters. As an indication of the likely scale of costs involved through an independent appointment, RH provided the following indicative costs for the CUSC Panel Chair:

- Appointment and tender process: £20k - £25k;
- Remuneration: £25 to £30k per year.

Representatives requested that TD and LJ provide a draft response for circulation to Representatives. This could then be amended in light of comments received with a teleconference on 11 October to finalise it. It was agreed that the response should be issued by SE as the Chair of JGAC.

**Action JGAC 2401:** TD/LJ to provide a draft response to Ofgem's issues regarding the Panel Chair appointment process.

#### b) Modification Panel – Proposed iGT voting representative

AM asked if representatives supported the appointment of an additional Shipper representative to Panel, should an iGT voting representative be appointed, as was being proposed in Modification 0440. Representatives did not believe this was appropriate nor necessary, but unanimously agreed to support the proposal should it be implemented.

## 24.4. Date of Next Meeting

15:00, 11 October 2013, via teleconference

10:00, 14 March 2014, via teleconference.

**Action Summary 04 October 2013**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
JGAC 2301	13/09/13	23.2	Draft a letter seeking Authority approval of Les Jenkins as the Panel Chair	JO (TD)	Completed
JGAC 2302	13/09/13	23.4	Provide proposed JGAA change to accommodate SEC implications	NGN (JF)	Carried Forward
JGAC 2303	13/09/13	23.6	Representatives to provide a view on moving to the JO managing a centralised service for legal text provision	Representatives	Carried forward
JGAC 2401	04/10/13	24.3	Provide a draft response to Ofgem's issues regarding the Panel Chair appointment process	JO (TD) NG (LJ)	Pending