

Governance Workstream Minutes

Thursday 16 October 2008

350 Euston Road, London

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Alan Raper	(AR)	National Grid UKD
Bali Dohel	(BD)	Scotia Gas Networks
Beverley Viney	(BV)	National Grid NTS
Bob Fletcher (Secretary)	(BF)	Joint Office
Chris Hill	(CH)	RWE npower
Chris Wright	(CWr)	British Gas
Joel Martin	(JM)	Scotia Gas Networks
John Bradley	(JB)	Joint Office
Jon Dixon	(JD)	Ofgem
Phil Broom	(PB)	Gaz de France
Richard Fairholme	(RF)	EON UK
Richard Street	(RS)	Corona Energy
Ritchard Hewitt	(RH)	National Grid NTS
Robert Cameron-Higgs	(RCH)	Northern Gas Network
Rosie McGlynn	(RM)	EDF Energy
Simon Trivella	(ST)	Wales & West Utilities

1.0 Introduction and Status Review

1.1 Minutes from Previous Workstream

Accepted without amendment.

1.2 Review of Actions

Action GOV 1036: National Grid UKD to develop a proposal for recovery of stranded costs.

AR advised that where the User Pays process fails to recover costs associated with developing a Modification Proposal which is not implemented, then the current thinking is to include a charge in the ACS (see point 14 in Modification Proposal 0213 business rules).

Action **Closed**

1.3 Review of Live Modifications Proposals and Topics

See below.

2.0 Modifications

2.1 Amended Modification Proposal 0213: Introduction of User Pays Governance Arrangements into the UNC

RM gave a brief update of Modification Proposal 0213 version 4.0, particularly the issues raised by Gas Transporters. These were around the clarity of the business rules and inclusion of cost apportionment in the Modification Proposal templates.

RM advised the suggested guidance document for cost apportionment would sit outside the UNC, and Gas Transporters are developing the guidance document. AR

indicated the document would include guidance on the allocation of costs to User.

The group discussed how Rough Order of Magnitude (ROM) costs are to be managed and ST confirmed that a meeting with EdF Energy agreed common ground to support the development of the User Pays process and the outcome of these discussions were being used to develop the guidance notes.

RM then explained the changes made in version 4.0 of the Proposal. TD suggested in point 4 that the dispute process should be escalated to an appropriate group rather than necessarily the Distribution Workstream or Development Work Group.

RM then explained the business rules, though more detail is likely to be set out in the guidance document. The group discussed current thinking on the recovery of development or stranded costs and how it is likely that these costs will be included as charges in the ACS.

JM confirmed that ROMs are not charged for, though the Modification Panel may request a more robust/accurate cost estimate. AR clarified that the Modification Panel may request a cost estimate at the time a Modification Proposal is first submitted.

AR suggested point C should include, in Rule 10, a revised date for submission of the cost estimate.

TD questioned how costs were to be recovered for multiple Modification Proposals which are variations on a theme and only one of the Proposals is subsequently implemented. ST suggested any additional costs would be recovered through the ACS. JD thought this is likely, though there may be options for xoserve to offer non code services for rejected proposals should a User wish to request this and development costs could be recovered through that route.

PB asked if requests for cost estimates should be restricted to Shipper only voting at Panel. JD thought it would be unnecessary to restrict voting as any User Pays charges should be cost reflective for provision of the service required.

Action: EdF to amend Modification Proposal 0213 based on comments received during the Workstream meeting.

RM advised the aim was for an amended proposal is to be submitted to the November Panel, following potential discussion at the October Distribution Workstream. AR indicated that initial draft legal text should also be available ahead of the November Panel.

3.0 Topics 013Gov, Industry Codes Governance Review

JD gave a brief overview on progress to date with the Code Governance Review and responses to the issues log. JD also advised that the Code Administrators Working Group should start to consider recommendations and best practices of different governance processes during the next meetings.

4.0 Any Other Business

ST asked if the Joint Office would manage the publication/governance of the LDZ CSEP NExA on behalf of Gas Transporters. TD responded that this was possible subject to all Gas Transporters requesting the Joint Office to do so.

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

5.0 Next Meeting

20 November 2008, following the UNC Committee meeting.

Action Log – UNC Governance Workstream 16 October 2008

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GOV1036	07/07/2008	2.0	Develop a proposal for recovery of stranded costs	National Grid UKD (AR)	Closed
GOV1038	16/10/2008	2.1	Amend Modification Proposal 0213 based on comments received during the Workstream meeting.	EdF (RM)	Ongoing
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	Ongoing