

DISG14 - Compromise position on Agency Governance

Comments received from Peter Bolitho, E.on

Following discussions at DISG13, E.ON UK would like to put forward the following proposal which seeks to reconcile the competing aspirations of Transco, prospective IDNOs and other interested parties.

Board decision making process

To apply to all board decisions

- One entity one vote
- One normally non voting non executive (shipper) director
- Decisions normally made on the basis of a simple majority vote of transporters

However where:

- IDNOs vote against board business which Transco supports or
- Transco votes against board business which is supported by all IDNOs,

then the matter shall be referred to the non executive director who shall exercise a casting vote.

Advantages of this approach

- Simple to understand
- Recognises the interests of Transco and IDNOs without either Transco or IDNOs dominating the decision making process.
- Encourages consensus decision making amongst equals to avoid non executive director casting vote.
- Intransigent network operators cannot frustrate change (i.e. no veto by a single entity)
- Changes that benefit customers and are supported by network operator(s) that transport gas to a substantial proportion of GB customers can potentially be progressed through the casting vote of the non executive director