

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 32nd MEETING HELD ON THURSDAY
21 SEPTEMBER 2006

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS), A Raper (National Grid UKD) B Grubb (Scotia Gas Networks) and S Trivella (Wales & West Utilities)

User Representatives: P Broom (Gaz de France), M Young (British Gas Trading), A Paxton (for EON) and C Sykes (Statoil).

Ofgem Representative(s):

D Edward & M Feather

Consumers Representative(s):

Joint Office:

T Davis (Chairman), J Majdanski (Secretary)

32.1 Note of any alternates attending meeting:

C Sykes for R Cross (Statoil), P Broom (Gaz de France) for S Ladle (Total Gas and Power), A Paxton for C Sykes, A Raper (National Grid UKD) for R Cameron-Higgs (Northern Gas Networks) and S Trivella for L Spierling (Wales & West Utilities)

32.2 Record of apologies for absence:

R Cross (Statoil), S Ladle (Total Gas and Power), R Cameron-Higgs (Northern Gas Networks) and L Spierling (Wales & West Utilities)

32.3 Record invitees to meeting:

None

32.4 Receive report on status of Urgent Modification Proposals:

- a) Proposal 0092 "Provision of a Supply Point Enquiry Service for Smaller Supply Points"
Status = Ofgem direct Implementation 19/08/2006.
- b) Proposal 0108: "Publication of Near time Data at GB storage sites"
Status = Panel consider recommendation 21/09/2006

32.5 Consider New, Non-Urgent Modification Proposals.

- a) Proposal 0109: "Acceptable Security Tools available to Users for Transportation Credit Arrangements"
Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with P Lucas as Subject Matter Expert.

- b) Proposal 0110: "Amendment of Px's Network Entry Agreement"
Following a presentation from R Hewitt (National Grid NTS), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with a reduced timescale of five days and L McGoldrick as Subject Matter Expert.
- c) Proposal 0111 "Management of Users Approaching and exceeding Upper Limits of Credit Limit"
Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with P Lucas as Subject Matter Expert.
- d) Proposal 0112 "Aggregation of Credit Positions or Use of Group Ratings"
Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with P Lucas as Subject Matter Expert.
- e) Proposal 0113 "Availability of Unsecured Credit Based on User Payment Record or Independent Assessment"
Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with P Lucas as Subject Matter Expert.
- f) Proposal 0114 "Quantification of Value At Risk (VAR) to determine maximum User Credit Security Requirements"
Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with P Lucas as Subject Matter Expert.
- g) Proposal 0115 "Correct Apportionment of NDM Error"
Following a presentation from Mike Young (BGT), the Panel voted UNANIMOUSLY for the Proposal to proceed to the Distribution Workstream.
- h) Proposal 0116 "Reform of the NTS Offtake Arrangements"
Following a presentation from P Roberts (National Grid NTS), the Panel failed to make a determination to proceed to Consultation, with only one member (R Hewitt) casting a vote. The Proposal was therefore referred to the Transmission Workstream.

32.6 Existing Modification Proposals for Reconsideration.

- a) Proposal 0053 "Extending established Uniform Network Code governance arrangements to include the Network Code Operations Reporting Manual referenced in Section V9.4"
Following a discussion the Panel voted UNANIMOUSLY to defer making a decision until next month on this and the four other Proposals under this Agenda item.
- b) Proposal 0056 "Extending established Uniform Network Code governance arrangements to include the Code Credit Rules referenced in section V3.1.2"
- c) Proposal 0059 "Extending established Uniform Network Code governance arrangements to include the Network Code Validation Rules document referenced in Section M1.5.3"

- d) Proposal 0063 “Extending established Uniform Network Code governance arrangements to include the GRE Invoice Query Incentive Scheme Methodology document referenced in Section S4.6”
- e) Proposal 0064 “Extending established Uniform Network Code governance arrangements to include the CSEP Ancillary Agreement document referenced in Section J.5.9.”

32.7 Consider New Proposals for Review.

None.

32.8 Consider Terms of Reference.

None.

32.9 Consider Workstream Monthly Reports.

a) Distribution

Proposal 0099 "Management of erroneous Domestic AQs during the Registration process"

Following a discussion, the Panel voted UNANIMOUSLY to extend the time the Distribution Workstream had to prepare the report back to Panel by three months.

b) Transmission

Proposal 0097 “Modification to release aggregated ex-post information for pipeline interconnector offtake flows”

Following a discussion, the Panel voted UNANIMOUSLY for the Proposal to proceed to consultation with G Frazer as Subject Matter Expert.

Proposal 0104 "3rd Party Proposal: Storage Information at LNG Importation Facilities"

Following a discussion, the Panel voted UNANIMOUSLY to extend the time the Transmission Workstream had to prepare the report back to Panel by three months.

c) Governance

d) Offtake Arrangements

32.10 Consider Review/Development Work Group Reports.

- a) Proposal 0088 "Extension of DM service to enable Consumer Demand Side Management".
Following a discussion, the Panel voted UNANIMOUSLY to extend the time the Development Workgroup had to report back to the Panel by three months.
- b) Proposal 0090 "Revised DN Interruption Arrangements"

32.11 Consideration of Final Modification Reports*

- a) Proposal 0084: "Removal of the SME Role from the UNC Modification Rules"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant *objectives' development to the mechanism by which the UNC may be modified' and 'efficiency in the implementation & administration of the UNC'*, and voted UNANIMOUSLY to recommend implementation of the Proposal.
- b) Proposal 0087: "Single Centralised On-line Gas Enquiry Service - Removal of redundant UNC provisions"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *efficiency in the implementation & administration of the UNC*, whereas others did not. They then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, R Hewitt, B Grubb, S Trivella and A Raper, also for R Cameron-Higgs.
- c) Proposal 0094: "Reconciliation following AQ Amendment, SSP becoming LSP with change of <20% or 15,000kWh"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'facilitating effective competition between relevant Shippers'*, whereas others did not. They then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, C Sykes, A Paxton, R Hewitt, S Trivella and A Raper, also for R Cameron-Higgs.
- d) Proposal 0095: "Reconciliation following AQ Amendment, SSP becoming LSP following change of Registered User"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'facilitating effective competition between relevant Shippers'*, whereas others did not. They then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, C Sykes, A Paxton, S Trivella and A Raper, also for R Cameron-Higgs.
- e) Proposal 0096 "Reconciliation following AQ Amendment, SSP becoming LSP following inter process amendment of AQ"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'facilitating effective competition between relevant Shippers'*, whereas others didn't. They then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, C Sykes, A Paxton, R Hewitt, S Trivella and A Raper, also for R Cameron-Higgs.

- f) Proposal 0100 "Amendment to OPN/SFN Submission Times"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. The Proposer considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'the efficient and economic operation of the pipe-line system'*, whereas other Members did not. They then failed to recommend implementation of the Proposal, only R Hewitt casting a vote in favour.
- g) Proposal 0101 "Amendment to Demand Forecasting Timings in Relation to the Gas Balancing Alert"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Most Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'the efficient and economic operation of the pipe-line system'* and voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, A Paxton, P Broom, also for S Ladle, R Hewitt, B Grubb, S Trivella and A Raper, also for R Cameron-Higgs.
- h) Proposal 0105 "Commercial Arrangements for combined DN Exit / Entry Points"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Most Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'the efficient and economic operation of the pipe-line system'* and voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- C Sykes, A Paxton, P Broom, also for S Ladle, R Hewitt, B Grubb, S Trivella and A Raper, also for R Cameron-Higgs.
- h) Proposal 0108: "Publication of Near time Data at GB storage sites"
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' *'the efficient and economic operation of the pipe-line system'*, whereas others considered the opposite. They then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes:- M Young, A Paxton, C Sykes, P Broom, also for S Ladle, and A Raper.

32.12 Receive report on status of Consents.

No new consents.

32.13 Any Other Business

32.14 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next Panel meeting is due to be held at 1.00pm by teleconference on 12 October, to make a decision how Proposal 0116 "Reform of the NTS Offtake Arrangements" should proceed, with the next full monthly Panel meeting to be held at Elexon, 350 Euston Road, on 19 October 2006.