

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 53rd MEETING HELD ON THURSDAY
23 AUGUST 2007

Members Present:

Transporter Representatives: A Raper (National Grid UKD), S Trivella (Wales & West Utilities), R Cameron-Higgs (Northern Gas Networks) and C Logue (National Grid NTS)

User Representatives: R Fairholme (EON), C Wright (British Gas Trading), A Barnes (BG Group), P Broom (Gaz de France), and C Sykes (Statoil)

Ofgem Representative(s):

D Edward

Consumers Representative(s):

None

Joint Office:

John Bradley (Chairman), M Berrisford (Deputy Secretary)

53.1 Note of any alternates attending meeting:

C Wright for M Young (British Gas Trading), R Fairholme for P Bolitho (EON), C Sykes for S Rouse (Statoil), A Raper for C Warner (National Grid UKD) and B Grubb (Scotia Gas Networks), S Trivella for L Spierling (Wales & West Utilities), and C Logue for R Hewitt (National Grid NTS)

53.2 Record of apologies for absence:

M Young (British Gas Trading), P Bolitho (EON), S Rouse (Statoil), L Spierling (Wales & West Utilities) B Grubb (Scotia Gas Networks), R Hewitt (National Grid NTS), C Warner (National Grid UKD), J Majdanski (Joint Office) and T Davis (Joint Office)

53.3 Record invitees to meeting:

None.

53.4 Consider Final Modification Reports:

- a) Proposal 0169: "Transfer and Trading of Capacity between ASEPs"

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 objectives' "*the economic and efficient operation of the pipeline system*" and "*the securing of effective competition between relevant shippers*". It was also noted that implementation would be consistent with a proposed Licence obligation on National Grid NTS, and hence in the future might be expected to better facilitate the GT Licence 'code relevant objective' "*the efficient discharge of the licensee's obligations*".

The Panel then voted and nine votes were cast in favour of implementation: R Fairholme, C Wright, A Barnes, P Broom, A Raper (also proxy vote for B Grubb), S Trivella, C Logue and R Cameron-Higgs. Therefore the Panel recommended implementation of this Proposal.

b) Proposal 0169A: "Transfer and Trading of Capacity between ASEPs"

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 not be expected to further the GT Licence 'code relevant objectives' "*the economic and efficient operation of the pipeline system*" and "*the securing of effective competition between relevant shippers*". It was, however, noted that implementation would be consistent with a proposed Licence obligation on National Grid NTS, and hence in the future might be expected to better facilitate the GT Licence 'code relevant objective' "*the efficient discharge of the licensee's obligations*". The Panel then voted and two votes were cast in favour of implementation: S Trivella and C Logue. Therefore the Panel did not recommend implementation of this Proposal.

The Panel then proceeded to vote on which of the two Proposals would better facilitate achievement of the Relevant Objectives. Of the 9 Voting Members present, capable of casting 10 votes, 9 votes (R Fairholme, C Wright, A Barnes, P Broom, C Sykes, A Raper (also proxy vote for B Grubb), C Logue and R Cameron-Higgs) were cast in favour of implementing Modification Proposal 0169 in preference to Alternative Proposal 0169A, whereas no votes were cast in favour of implementing Alternative Proposal 0169A in preference to Modification Proposal 0169. One member indicated no preference for implementation of either Modification Proposal. Therefore, the opinion of the Panel was that implementation of Modification Proposal 0169 would better facilitate the achievement of the Relevant Objectives.

After considering the similarities between these Proposals and Proposals 0156 and 0156A "Transfer and Trading of Capacity between ASEPs", the Panel then proceeded to vote on the extent, relative to each other, to which these four Modification Proposals would be expected to better facilitate the achievement of the Relevant Objectives.

Of the nine voting Members present, capable of casting ten votes

- Three Members (A Raper, S Trivella and R Cameron-Higgs) did not support 0156A, due to issues surrounding the time constraints associated with its potential implementation, and did not indicate a preference for any of the other Proposals;
- Three Members (C Wright, A Barnes and C Sykes) indicated a preference for 0169 over the other three Proposals;
 - All three of these Members indicated a preference for 0156A to the two other Modification Proposals and a preference for 0156 to 0169A.
- Two Members (R Fairholme and P Broom) indicated a preference for 0156A over the other three Proposals,
 - Both of these Members indicated a preference for 0169 to the two other Modification Proposals and a preference for 0156 to 0169A; and

- One Member (C Logue) indicated a preference for 0156 over the other three Proposals.
 - This Member indicated a preference for 0169 to the two other Modification Proposals and a preference for 0169A to 0156A.

(please refer to the Determinations Record for to see Members indicated preferences)

Therefore, the Panel indicated the following order of preference by which each Modification Proposal would better facilitate the achievement of the Relevant Objectives in comparison with the other Modification Proposals.

0169 (most favoured), 0156A, 0156 and 0169A (least favoured).

c) Proposal 0154: "Enduring Provisions for LDZ System Entry Points"

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Workgroup.

Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' "*the economic and efficient operation of the pipeline system*", "*the securing of effective competition between relevant shippers*" and "*the efficient discharge of the licensee's obligations*". However, other Members questioned whether or not implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' "*the economic and efficient operation of the pipeline system*" or "*the securing of effective competition between relevant shippers*". The Panel then voted and five votes were cast in favour of implementation: P Broom, A Raper (also proxy vote for B Grubb) S Trivella and R Cameron-Higgs. Therefore the Panel did not recommend implementation of this Proposal.

53.5 Any Other Business:

R Cameron-Higgs asked whether another Modification Proposal similar in content to 0154 could be raised. The Chair advised that one could.

53.6 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next meeting is due to be held at Elexon, 350 Euston Road, on 20 September 2007.