

**Extraordinary Distribution Workstream Minutes
Modification Proposal 0090 Review of Legal Text
Friday 17 November 2006
Elexon, 350 Euston Road, London NW1 3AW**

Attendees

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Richard Fairholme	RF	E.ON UK
Alan Raper	AR	National Grid Distribution
Paul Smith	PS	Ofgem
Lewis Hodgart	LH	Ofgem
Stefan Leedham	SL	EDF Energy
Simon Howe	SH	RWE Npower
Mark Freeman	MF	National Grid Distribution
Charles Wood	CW	Denton Wilde Sapte
Frank Roper	FR	National Grid
Phil Broom	PB	Gaz de France
Beverley Grubb	BG	Scotia Gas Networks
Alex Thomason	AT	National Grid Transmission

1. Introduction

JB explained that this extraordinary meeting of the Distribution Workstream was to discuss the legal text of Modification Proposal 0090 “Revised DN Interruption Arrangements.

Prior to commencing the legal text review, JB communicated the following invitation from xoserve to those Shipper representatives present:

“In response to Modification Proposal 90, xoserve has been engaged by DNs to develop systems and processes to support operation of the interruptible rights tender in June 2007. Two Shipper organisations, Centrica and Total, are offering resources to assist xoserve with design, testing and other activities. Further Shipper participation is welcomed, and anyone wishing to be involved should contact Martin Baker or Andy Earnshaw at xoserve in the first instance.”

Contact Details:

Martin Baker	0121 713 5023	martin.baker@xoserve.com
Andy Earnshaw	0121 713 5231	andy.earnshaw@xoserve.com

2. Legal Draft Review – UNC Modification Proposal 0090: “Revised DN Interruption Arrangements”

The meeting reviewed the Legal Text (draft 2.0: 9 November 2006). CW and FR guided the meeting through each section, explaining the logic and indicating where the text had been refocused or newly produced to take account of the Business Rules that had been agreed at the Work Group meetings. Clarification was sought where necessary.

Some inconsistencies were noted throughout the drafts provided. It was agreed that the style conventions of the UNC were to be followed within the drafting and amended where appropriate, for example all Defined Terms to be shown with initial capitals (eg “**Interruptible Option Price**”), numbers to be shown in full followed by the number itself in brackets (eg seven (7)), paragraph numbering, etc.

The following minor amendments were also agreed and noted:

2.1 Document 1 - Transportation Principal Document Section G

G6.1.2 Definition of Interruptible Period in relation to Interruption Option Price – review all Defined Terms in more detail to ensure precision and clarity.

G6.1.8(a) Reword the Defined Term: Interruption Pricing Methodology.

G6.2.1(d) and 6.2.1(d)(vi) Reword to remove specific reference to Licence Condition, but so that eventual Licence Condition will catch it.

G6.2.4(c) Remove first three words: “~~the LDZ and~~ Interruption Zone(s) in respect of which the invitation is issued;”.

G6.2.5 Remove this paragraph: “~~Where the minimum interruptible amount in respect of an Interruption Zone has been specified in an Interruption Invitation (the original invitation), in any subsequent Interruption Invitation~~”.

G6.2.6 Renumber this paragraph to become G6.2.5, and review wording to provide more clarity.

G6.3.4 Review wording to provide more clarity, eg “...modify an interruption offer in relation to that invitation already submitted,”

G6.4.1(a) Review all references to Interruptible Capacity Methodology.

G6.4.1(b) Reword to accommodate rejections and non-acceptances.

G6.4.2 Amend reference to paragraph 6.1.78.

G6.4.3 Reword in context of Business Rule 5.3.7 ie publishing of auction results to be triggered by the acceptance of three offers.

G6.5.5(a) Amend paragraph: “a relevant Interruptible Period is any Interruptible Period, commencing from the Interruptible Period in which the redesignation date falls,”

G6.6.4(e)(i) Insert missing text to make sense.

G6.10.6(b) Review paragraph in context of Business Rule 7.8 (isolation of site) ie failure to interrupt charges would not apply where a User had previously made an isolation request which was still intended to be effective.

2.2 Document 2 - Transportation Principal Document Section B

B1.3.2 Clarification sought in relation to the potential impacts of Modification Proposal 0116 identified the following:

1) A requirement for the Offtake Arrangements Document Section I (OAD I) to be reviewed and amended as appropriate.

2) It was suggested that a note be provided to Ofgem setting out certain assumptions that have been made in relation to Modification Proposal 0090, bearing in mind the potential ramifications that the potential implementations of other current Modification Proposals may have, with suggestions for sensible/logical timescales to approach the order of implementation (if so decided by Ofgem).

B4.7.1 Clarification maybe needed for NTS Exit overrun charges If this Proposal were implemented in the absence of implementation of Modification Proposal 0116 "Reform of the NTS Offtake Arrangements". .

2.3 Document 2 - Transportation Principal Document Section G

G1.5.2(b) Amend reference to paragraph 6.1.89.

In conclusion the meeting was in agreement that only minor changes to the Legal Text had been identified and that no changes to the Modification Proposal itself had been identified. It was therefore concluded that, based on the discussion in this Workstream, there would be no requirement for the Proposer to raise a Variation Notice.

It was further agreed that the nature of these revisions to the Legal Text would be communicated to interested parties through the issue of these Minutes and that the consequent revisions would be present in the Legal Text that supported the Final Modification Report.

3. Any Other Business

None.

4. Next Steps

- 30 November 2006 – Representations close out
- 07 December 2006 – Final Modification Report to be issued
- 21 December 2006 – Modification Panel to make recommendation
- 31 January 2007 – Ofgem decision expected.