

UNIFORM NETWORK CODE MODIFICATION PANEL

MINUTES OF THE 78th MEETING

HELD ON THURSDAY 30 APRIL 2009

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS) (from item 78.6 onwards), J Martin (Scotia Gas Networks), C Warner (National Grid Distribution), and S Trivella (Wales & West Utilities),

User Representatives: A Barnes (Independent Member) (items 78.1 to 78.5), A Bal (Shell), C Wright (British Gas Trading), R Fairholme (E.ON UK) and P Broom (GDF Suez)

Ofgem Representative(s):

J Dixon

Joint Office:

T Davis (Chairman) and J Bradley (Secretary)

78.1 Note of any alternates attending meeting

J Martin for A Gibson (Scotia Gas Networks), S Trivella for J Ferguson (Northern Gas Networks)

78.2 Record of apologies for absence

A Gibson and J Ferguson

78.3 Receive report on status of Urgent Modification Proposals

None

78.4 Consider New, Non-Urgent Modification Proposals

Proposal 0253: "Facilitating a Supply Point Enquiry Service for Large Supply Points"

The Panel voted UNANIMOUSLY to defer consideration of this Proposal.

78.5 Consider Development Work Group Reports

Proposal 0224: "Facilitating the use of AMR in the Daily Metered Elective Regime"

The Panel UNANIMOUSLY accepted the Work Group Report and, following an explanation of the changes made to the Proposal, voted UNANIMOUSLY for the Proposal to proceed to consultation. Having noted that proposed legal text had been published, Panel Members did not determine that formal legal text was required, with no votes cast in favour. The Panel voted UNANIMOUSLY for representations to close-out on 08 June 2009.

78.6 Consider Final Modification Reports.

a) Proposal 0244: "Amending DM Supply Point Data for Sites with Significant Changes in Usage"

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 Work Group.

Some members considered that, by enabling AQs, SOQs and BSSOQs to be amended reflecting actual usage, cost allocations would be improved

and so implementation could be expected to further the GT Licence 'code relevant objective' of "*the securing of effective competition between relevant shippers*". However, other Members were concerned that the reallocation of costs may be less rather than more cost reflective and that any benefits would not be sufficient to justify the costs of implementation.

Some Members also considered that, by releasing booked capacity, implementation could be expected to further the GT Licence 'code relevant objective' of "*the efficient and economic operation of the pipe-line system to which this licence relates*". The Transporters considered that any such benefits for operation of the system would be minor.

On behalf of the Transporters, S Trivella summarised the Rough Order of Magnitude assessment conducted by xoserve which demonstrated that implementation timescales would be shortest and costs lowest with Proposal 0244A than with 0244 or 0244B.

The Panel then voted whether to recommend implementation of the Proposal, the following Members casting votes in favour: A Barnes (by prior email submission), A Bal and P Broom. Therefore the Modification Panel did not recommend implementation of the Proposal.

- b) Proposal 0244A: "Introduction of an Exception Process for Decreases in Supply Point Capacity (SOQ) at Daily Metered (DM) Supply Points"

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 Work Group.

Members considered that, the benefits of implementation were similar to those already identified for Proposal 0244, but recognised that fewer sites and data items may be impacted, and that it was expected to be possible to be implemented at lower cost and in a shorter timescale.

The Panel then voted whether to recommend implementation of the Proposal, the following Members casting votes in favour : A Bal, P Broom and R Fairholme. Therefore the Modification Panel did not recommend implementation of the Proposal.

- c) Proposal 0244B: "Amending DM Supply Point Data for Sites with Significant Changes in Usage"

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 Work Group.

Members considered that, the benefits of implementation were similar to those already identified for Proposals 0244 and 0244A but recognised that, among the three options, while of a similar scale it was expected to involve the highest implementation cost and longest timescale. It was also recognised that restrictions on the period when changes might be made would also mean fewer sites and data items may be impacted.

In addition, it was noted that, by introducing a process for a limited period which may subsequently be extended through a further Modification Proposal, implementation of 0244B might not be expected to further the GT Licence 'code relevant objective' of "*the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code*".

The Panel then voted whether to recommend implementation of the Proposal, the following Members casting votes in favour: C Warner. Therefore the Modification Panel did not recommend implementation of the Proposal.

The Panel then proceeded to vote on which of the Modification Proposals would in the opinion of the Modification Panel better facilitate the achievement of the “code relevant objectives”.

A Barnes had indicated by prior email submission his support for Proposal 0244. None of the Members present at the meeting considered that implementation of Proposal 0244 would better further the relevant objectives than the other two Proposals. C Warner considered that implementation of Proposal 0244B would better further the relevant objectives than the other two Proposals. As proxy for J Ferguson, S Trivella expressed an equal preference for 0244A or 0244B, with either being preferred to 0244. R Hewitt, J Martin, S Trivella, A Bal, C Wright, R Fairholme and P Broom considered that implementation of Proposal 0244A would better further the relevant objectives than either of the other two Proposals.

78.7 Any Other Business

It was agreed that the Panel Meeting on 21 May 2009 would consider making a response to the Ofgem open letter on the Code Administrators Working Group Report.

It was agreed that the same Panel Meeting would consider the Workstream Report for Modification Proposal 0229, which is expected to be submitted at short notice. J Dixon said that whilst this Proposal would not be formally considered in the related Ofgem Impact Assessment, the issues raised would be.

78.8 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next Panel meeting is due to be held at 10:00 on 21 May 2009 at Elexon.