

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 39th MEETING HELD ON MONDAY
8 JANUARY 2007

Members Present:

Transporter Representatives: P Roberts (National Grid NTS) and L Spierling (Wales & West Utilities)

User Representatives: P Broom (Gaz de France), C Wright (British Gas Trading), C Sykes (Statoil), A Barnes (BG Group) and P Bolitho (Eon).

Ofgem Representative(s):
S Mackay

Consumers Representative(s):
.

Joint Office:
J Bradley (Chairman), J Majdanski (Secretary)

39.1 Note of any alternates attending meeting:

C Wright for M Young (British Gas Trading), P Roberts for R Hewitt (National Grid NTS) and for R Cameron-Higgs (Northern Gas Networks) and B Grubb (Scotia Gas Networks)

39.2 Record of apologies for absence:

A Raper (National Grid UKD), (Statoil), M Young (British Gas Trading), R Hewitt (National Grid NTS), R Cameron-Higgs (Northern Gas Networks) and B Grubb (Scotia Gas Networks)

39.3 Record invitees to meeting:

None

39. 4 Consider Final Modification Reports.

a) Proposal 0116CVV "Reform of the NTS Offtake Arrangements"

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 Work Group.

The Panel was divided as to whether implementation of this Proposal would further the relevant objectives. P Roberts considered that implementation of this Proposal would facilitate efficient and economic operation of the pipeline system, whereas P Bolitho suggested it would not because it would produce spurious investment signals. It was also argued that implementation would lead to inappropriate cost allocation among market participants, which would be damaging to competition, rather than facilitating it.

The Panel then failed to recommend implementation of the Proposal, with four votes cast in favour (C Wright, P Roberts, and A Raper also with proxy vote for R Cameron-Higgs).

At this point in the meeting the Chair asked the Panel if they still considered 0116CVV would better facilitate the relevant objectives than all the other 0116 variants/alternates apart from 116A. Members confirmed their view was unchanged from that recorded at the meeting on 21st December 2006.

b) Proposal 0128 “Amendment to Entry Capacity Baselines”

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal.

The Panel was divided as to whether implementation of this Proposal would further the relevant objectives. P Roberts considered that implementation of this Proposal would facilitate efficient and economic operation of the pipeline system, whereas others, whilst recognising the proposed baselines were part of Licence proposals for NTS, objected that a UNC Proposal was being used to address inconsistencies in the Licence and hence implementation would be detrimental to the relevant objective c, “the efficient discharge of the licensee's obligations under this licence”.

The Panel then failed to recommend implementation of the Proposal, with three votes cast in favour (C Sykes, P Roberts and A Raper as proxy vote for B Grubb).

39.5 Any Other Business

None

39.6 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next full monthly Panel meeting is due to be held at Elexon, 350 Euston Road, on 18 January 2007.