



"Warner, Christopher"
<chris.warner@uk.ngri
d.com>

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To: <Gasgovernance.Enquiries@uktransco.com>
cc: <Bali.Dohel@scotiagasnetworks.co.uk>, "Simon Trivella"
<Simon.Trivella@wwutilities.co.uk>, <jferguson@northerngas.co.uk>
Subject: UNC Distribution Workstream meeting - July 2009 minutes

Bob,

I refer to the minutes of the July 2009 UNC Distribution Workstream under section 4 which identifies the following text, being relevant to Ofgem's rejection of the 0244 series of Modification Proposals: "RS expressed the urgency of this in the eyes of consumer groups and formation of a Review Group might be construed as "long grass" tactics. The DNs should therefore concentrate on short term relief. The DNs responded that the short term solution could be reflected in the Review Proposal but other members suggested that the short term solution should be established outside the Review Process such as holding a specific Workstream followed by a Proposal. The DNs agreed to consider this".

Action Dis 0707: DNs to consider in the short term processes for development of proposals that address Supply Point capacity issues where demand is reduced.

DNOs have considered the option of convening Workstream discussion separate to that advocated under Review Proposal 0264 for the purposes of identifying possible short term solutions to the issues identified within UNC Modification Proposal 0244. We do not believe this to be a practical way forward. Review Proposal 0264 is scheduled to be discussed at the 6th August 2009 meeting of the UNC Modification Panel and we are hopeful that Panel members will approve the creation of a Review Group. NGD has clearly stated within its Proposal that the consideration of possible short term solutions should be a priority item within group discussion. DNOs also believe that a vital pre-requisite is for the industry to fully understand the nature and size of the issue prior to identifying possible solutions. A Review Group provides the ideal framework for this to be determined. In this respect we would encourage participation of end consumers.

It is therefore the opinion of DNOs that separate Workstream discussion would be counter productive and serve little purpose given that a Review Group represents the best environment to consider the relevant issues and, subject to Panel approval, can be convened relatively quickly.

I would be grateful if you could circulate this note to members of the UNC Distribution Workstream.

Regards,

Chris Warner

Network Code Manager

Commercial

National Grid Distribution