

UNC Workgroup 0404 Minutes
Profiling payment of LDZ capacity transportation charges for
Small Shipper Organisations
Thursday 24 November 2011
at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

| | | |
|-----------------------|-------|----------------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Alison Jennings | (AJe) | Xoserve |
| Anne Jackson | (AJ) | SSE |
| Brian Durber | (BD) | EON UK |
| Cesar Coelho | (CC) | Ofgem |
| Chris Warner | (CW) | National Grid Distribution |
| David Addison | (DA) | Xoserve |
| Edward Hunter | (EH) | RWE npower |
| Erika Melen | (EM) | Scotia Gas Networks |
| Gareth Evans | (GE) | Waters Wye |
| George Glen | (GG) | Scottish Power |
| Karen Kennedy | (KK) | Scottish Power |
| Linda Whitcroft | (LW) | Xoserve |
| Lorna Lewin | (LL) | Shell |
| Tim Davis (Secretary) | (TD) | Joint Office |

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0404/241111>

1.0 Outline of Modification and initial discussion

EM introduced the modification, explaining the background and intent. The modification had emerged in response to Modification 0383 and was looking to create a simple means by which small suppliers could profile their payments.

2.0 Consider Terms of Reference

No further comments were received on the Terms of Reference.

3.0 Initial Discussion

GE asked what the total exposure to the industry would be if this modification were to be implemented – if a Shipper failed at the start of a Gas Year, how much would exposure be increased if there were 100% take up by those eligible? Secondly, GE noted that this effectively provided credit at a given rate of interest. He would like to see how this compared with interest rates available elsewhere, in order to assess the attractiveness of the modification.

Action 001: Establish the maximum exposure with 100% take-up of the proposed arrangements (EM)

Action 002: Illustrate the interest rates implied by the modification (EM)

BD asked where any costs would lie, and it was clarified that the Transporters would bear the cost of any change in cashflow. CW added that it would be particularly helpful if those likely to take advantage of the modification could be encouraged to support assessment of the modification.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting of the Workgroup will take place within the business proceedings of the Distribution Workgroup, on 22 December 2011, 31 Homer Road, Solihull, B91 3LT.

ACTION LOG – UNC Workgroup 0404

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|-------------------|---------------------|-------------------|---|--------------|----------------------|
| 0001 | 24/11/11 | 3.0 | Establish the maximum exposure with 100% take-up of the proposed arrangements | SGN (EM) | |
| 0002 | 24/11/11 | 3.0 | Illustrate the interest rates implied by the modification | SGN (EM) | |