

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 61st MEETING HELD ON THURSDAY
20 MARCH 2008

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS), C Warner (National Grid UKD), B Grubb (Scotia Gas Networks) L Spierling (Wales & West Utilities) and R Cameron-Higgs (Northern Gas Networks).

User Representatives: A Barnes (BG Group), P Broom (Gaz de France), C Wright (British Gas), R Fairholme (EON UK) and S Leedham (EDF Energy).

Ofgem Representative(s):

J Dixon.

Consumers' Representative(s):

None.

Joint Office:

T Davis (Chairman), J Majdanski (Secretary)

61.1 Note of any alternates attending meeting:

61.2 Record of apologies for absence:

61.3 Record invitees to meeting:

C Temperley (Gasforum)

61.4 Receive report on status of Urgent Modification Proposals:

None

61.5 Consider New, Non-Urgent Modification Proposals

- a) Proposal 0203: "Revision to DN Shrinkage Regime."

Following a presentation from C Warner (National Grid UKD), the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They also UNANIMOUSLY determined that legal text was required.

- b) Proposal 0204: "Amendment to the calculation of WCF."

Following a presentation from R Fairholme (EON UK), the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.

- c) Proposal 0205: "Interruptible Capacity Charges"

Following a presentation from R Street (Corona Energy), the Panel voted UNANIMOUSLY for the Proposal to proceed to the Distribution Workstream.

d) Proposal 0206: "Summer and Winter Assured Pressure Periods"

Following a presentation from R Hewitt, the Panel failed to determine for the Proposal to proceed to Consultation, the following Member casting a vote; R Hewitt. The Proposal will therefore be referred to the Transmission Workstream.

e) Proposal 0207: "Change to Telemetry Requirements in OAD for SOMSA Exit"

Following a presentation from R Hewitt, the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.

61.6 Consider New Proposals for Review.

a) Proposal 0208: "Information relating to Unallocated Energy"

Following a presentation from R Street (Corona), the Panel voted UNANIMOUSLY for the Proposal to proceed to Review.

61.7 Consider Terms of Reference.

a) Proposal 0194: "Correct Apportionment of NDM Error – Energy"

The Panel UNANIMOUSLY approved the Terms of Reference.

61.8 Existing Modification Proposals for Reconsideration.

None

61.9 Consider Variation Requests

The Panel agreed to consider this Variation Request at short notice.

a) Proposal 0185V: "Meter Error Notification Process"

Following a presentation from S Leedham, the Panel did not determine that the Variation Request was immaterial. Therefore Modification Proposal 0185V was deemed withdrawn and replaced by Modification Proposal 185VV "Meter Error Notification Process"

The Panel then voted UNANIMOUSLY for the varied Proposal to proceed to Consultation for an extended period of 20 days. They did not determine that legal text was required, with no votes cast in favour.

61.10 Consider Workstream Monthly Reports.

a) Distribution

Proposal 0196 "Alterations to shipper penalties for end user failure to interrupt"

The Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.

- b) Transmission
- c) Governance
- d) Offtake

61.11 Consider Review Group Reports.

- a) Proposal 0157 "Review of IGT settlement and reconciliation arrangements"
Following a request, the Panel voted UNANIMOUSLY to extend the time for the Review Group to report until July 2008.
- b) Proposal 0175 "Encouraging Participation in the elective Daily Metered Regime"
Following a request, the Panel voted UNANIMOUSLY to extend the time for the Review Group to report until July 2008.
- b) Proposal 0176 "Review of NDM Profile Allocation Parameters"

The Review Group report was accepted, no further work required.

61.12 Consider Final Modification Reports.

As any implementation of Proposals 0188/0188A would be contingent on a Licence change being implemented the Panel discussed whether to defer consideration of the Proposal. The Panel then voted and failed to determine to defer consideration, the following Members casting votes: S Leedham, R Fairholme and A Barnes.

- a) Proposal 0188: "Introduction into the UNC of the Agency Charging Statement ("User Pays")"

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 Workgroup.

Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective of *"the efficient discharge of the licensee's obligations"*. The Panel then voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes: C Wright, L Spierling, R Hewitt, C Warner, R Cameron-Higgs and B Grubb.

- b) Proposal 0188A: "Introduction into the UNC of the Agency Charging Statement ("User Pays")"

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 Workgroup.

Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' of *"the efficient discharge of the licensee's obligations"*, *"the securing of effective competition between relevant shippers"* and *"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: S Leedham, R Fairholme and C Wright. Therefore the Modification Panel did not recommend implementation of the Proposal.

The Panel then proceeded to a vote on which of the two Proposals would better facilitate achievement of the Relevant Objectives. Of the 10 Voting Members present, capable of casting 10 votes, 5 votes (L Spierling, R Hewitt, C Warner, R Cameron-Higgs and B Grubb) were cast in favour of implementing Modification Proposal 0188 in preference to Alternative Proposal 0188A, whereas 4 votes (C Wright, A Barnes, S Leedham and R Fairholme) were cast in favour of implementing Alternative Proposal 0188A in preference to Modification Proposal 0188. Therefore, the opinion of the Panel was that implementation of Modification Proposal 0188 would better facilitate the achievement of the Relevant Objectives.

- c) Proposal 0198: "Extension of the Current Sunset Clauses for Registration of Capacity at NTS Exit 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 Workgroup.

Members considered that the implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' of *"the efficient and economic operation of the pipe-line system to which this licence relates"* and *"the efficient discharge of the licensee's obligations under this licence"* and voted UNANIMOUSLY to recommend implementation of the Proposal.

61.13 Receive report on status of Consents.

61.14 Any Other Business

61.15 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next Panel meeting is due to be held at Elexon, 350 Euston Road, on 17 April 2008.