

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 62nd MEETING HELD ON THURSDAY
17 APRIL 2008

Members Present:

Transporter Representatives: C Logue (National Grid NTS), C Warner (National Grid UKD), B Dohel (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:

J Bradley (Deputy Chairman), J Majdanski (Secretary)

62.1 Note of any alternates attending meeting:

C Logue for R Hewitt (National Grid NTS) and B Dohel for B Grubb (Scotia Gas Networks)

62.2 Record of apologies for absence:

T Davis (Joint Office), R Hewitt (National Grid NTS) and B Grubb (Scotia Gas Networks)

62.3 Record invitees to meeting:

C Temperley (Gasforum)

62.4 Receive report on status of Urgent Modification Proposals:

None

62.5 Consider New, Non-Urgent Modification Proposals

a) Proposal 0209 "Rolling AQ"

Following a presentation from R Fairholme (EON UK), the Panel voted UNANIMOUSLY for the Proposal to proceed to Development.

b) Proposal 0210 "Implementation of DNPC03 (LDZ System Charges – Capacity / Commodity Split and Interruptible Discounts), the Alignment of Failure to Interrupt Charges and the Alignment of the IFA Charge"

Following a presentation from L Spierling (Wales & West Utilities), the Panel voted UNANIMOUSLY for the 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.

c) Proposal 0211: "Suspension of the RbD Audit"

Following a presentation from L Spierling (Wales & West Utilities), the Panel voted UNANIMOUSLY for the Proposal to proceed to the Distribution Workstream and RbD Audit sub-committee meetings to be held on 24 April. Ofgem also agreed to provide a view on the intent and purpose of this Proposal.

62.6 Consider New Proposals for Review.

None

62.7 Consider Terms of Reference.

None

62.8 Existing Modification Proposals for Reconsideration.

None

62.9 Consider Variation Requests

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

Following a presentation from C Warner, the Panel determined that the Variation Request was immaterial. Therefore Modification Proposal 0203 was deemed withdrawn and replaced by Modification Proposal 0203V "Revision to DN Shrinkage Regime".

b) Proposal 0195A: "Introduction of Enduring NTS Exit Capacity Arrangements"

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

Following a presentation from P Bolitho (EON UK), the Panel determined that the Variation Request was immaterial. Therefore Modification Proposal 0195A was deemed withdrawn and replaced by Modification Proposal 0195AV "Introduction of Enduring NTS Exit Capacity Arrangements".

62.10 Consider Workstream Monthly Reports.

a) Distribution

Proposal 0192 "Introduction of DNO obligations to facilitate resolution of unresolved USRVs"

The Panel voted UNANIMOUSLY for the Proposal to be referred back to the Distribution Workstream.

Proposal 0201 "Small value invoice payment deferral"

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

62.11 Consider Review Group Reports.

- a) Proposal 0177 "Rolling AQ"

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

- b) Proposal 0178 "Reclassification of SSP to Domestic only"

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

62.12 Consider Final Modification Reports.

- a) Proposal 0195: "Introduction of Enduring NTS Exit Capacity Arrangements"
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 implementation of the Proposal could be expected to further the GT Licence 'code relevant objective of *"the economic and efficient operation of the pipeline system"* and *"the securing of effective competition between relevant shippers"* and voted UNANIMOUSLY to recommend implementation of the Proposal.

- b) Proposal 0195AV: "Introduction of Enduring NTS Exit Capacity Arrangements"

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 implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' of *"the economic and efficient operation of the pipeline system"* and *"the securing of effective competition between relevant shippers"* and voted UNANIMOUSLY to 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, 3 votes (C Wright, C Logue and C Warner) were cast in favour of implementing Modification Proposal 0195 in preference to Alternative Proposal 0195AV, whereas 5 votes (P Broom, A Barnes, S Leedham, R Fairholme and B Dohel) were cast in favour of implementing Alternative Proposal 0195AV in preference to Modification Proposal 0195. Therefore, the opinion of the Panel was that implementation of Modification Proposal 0195AV would better facilitate the achievement of the Relevant Objectives.

- c) Proposal 0200: "Introduction of a Date Tolerance to Facilitate the Processing of Individual Meter Point Reconciliation at LDZ CSEPs"

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 implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' of *"the securing of effective competition between relevant shippers"* and voted UNANIMOUSLY to recommend implementation of the Proposal.

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

The Panel agreed to consider this Final Modification Report at short notice.

Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They discussed whether it would be possible to be implemented in time for the next Gas Year, but did not determine that any 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 objective' of *"the securing of effective competition between relevant shippers"* and voted UNANIMOUSLY to recommend implementation of the Proposal.

62.13 Receive report on status of Consents.

- a) C020: "Changes to Document References Contained Within the UNC"
- b) C021: "Changes to Cross References Contained Within UNC TPD Section F – System Clearing, Balancing Charges and Neutrality"
- c) C022: "Amendment to the Original Legal Text for UNC Modification 0090 to Reflect Market Changes"

62.14 Any Other Business

None

62.15 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 15 May 2008.