

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 26th MEETING HELD ON THURSDAY
18 MAY 2006

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS), A Raper (National Grid UKD) and L Spierling (Wales & West Utilities).

User Representatives: P Broom (Gaz de France), S Ladle (Total Gas and Power), M Young (British Gas Trading) and S Rouse (Statoil).

Ofgem Representative(s):

D Edward & S Mackay

Consumers Representative(s):

S Eyre

Joint Office:

T Davis (Chairman), J Majdanski (Secretary)

26.1 Note of any alternates attending meeting:

S Rouse for R Cross (Statoil), M Young (British Gas Trading) for C Sykes (EON UK), L Spierling (Wales & West Utilities) for R Cameron-Higgs (Northern Gas Networks) and also for B Grubb (Scotia Gas Networks) and S Eyre for J Nicholson (energywatch)

26.2 Record of apologies for absence:

R Cross (Statoil), C Sykes (EON UK), B Grubb (Scotia Gas Networks) and R Cameron-Higgs (Northern Gas Networks)

26.3 Record invitees to meeting:

The Panel voted UNANIMOUSLY to approve Angela Love (Ilex) as an invitee to Panel meetings.

26.4 Receive report on status of Urgent Modification Proposals:

None

26.5 Consider New, Non-Urgent Modification Proposals.

- a) Proposal 0084 "Removal of the SME Role from the UNC Modification Rules"
Following a presentation from R Hewitt (National Grid NTS), the Panel voted UNANIMOUSLY for the Proposal to proceed to the Governance Workstream with a report back within two months.

26.6 Existing Modification Proposals for Reconsideration.

None

26.7 Consider New Proposals for Review.

None.

26.8 Consider Terms of Reference.

None.

26.9 Consider Workstream Monthly Reports.

a) Distribution

Proposal 0081: "AQ Review Process - publication of information"
Following consideration of the Workstream report, the Panel voted UNANIMOUSLY for the proposal to proceed to consultation with A Gibson as Subject Matter Expert.

b) Transmission

c) Governance

d) Offtake Arrangements

26.10 Consider Review/Development Work Group Reports.

None.

26.11 Consideration of Final Modification Reports* .

a) Proposal 0064 "Extending established Uniform Network Code governance arrangements to include the CSEP Ancillary Agreement document referenced in Section J5.9"

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of either of the Proposals. Some Panel Members considered that implementation of the Modification Proposal could be expected to further the GT Licence 'code relevant objectives' of '*facilitating effective competition between relevant Shippers*' and '*promotion of efficiency in the implementation and administration of the code*', whereas others did not believe this to be the case.

The Panel then voted and of the seven Members present, capable of casting ten votes, five votes were cast in favour of implementation, P Broom (Gaz de France), S Ladle (Total Gas and Power), S Rouse (Statoil) and M Young (British Gas Trading) who also had a proxy vote for C Sykes (EON UK). Therefore the Panel did not recommend implementation.

26.12 Receive report on status of Consents.

26.13 Any Other Business

P. Broom informed the Panel that Gaz de France were considering raising an Urgent Modification Proposal to replace withdrawn Proposal 0085 "Introduction of Gas Reserve Arrangements" and sought views regarding a possible timetable.

26.14 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 15 June 2006.