

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 20th MEETING HELD ON THURSDAY
21 DECEMBER 2005

Members Present:

Transporter Representatives: B Grubb (Scotia Gas Networks), P Roberts (National Grid NTS), A Raper (National Grid UKD) and L Spierling (Wales and West Utilities)

User Representatives: C Sykes (E.ON UK), S Jones (Statoil) and Mike Young (British Gas Trading)

Ofgem Representative: Jon Dixon

Consumers Representatives: None

Joint Office: J Bradley (Deputy Chairman), J Majdanski (Secretary)

20.1 Note of any alternates attending meeting.

P Roberts for R Hewitt (National Grid NTS), S Jones (Statoil) for S Ladle (Total Gas and Power) and C Sykes (E.ON UK) for P Broom (Gaz de France)

20.2 Record of apologies for absence.

R Cameron Higgs (Northern Gas Networks) S Ladle (Total Gas and Power) and P Broom (Gaz de France)

20.3 Record invitees to meeting.

None

20.4 Consider Final Modification Reports.

20.4a) Proposals 0071/71A "User Compensation for NEC Storage Curtailment"

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of either Proposal, however most of them considered they had not been given sufficient time to consider the Report and representations in full, to be able to make a recommendation.

The Proposer considered that implementation of Proposal 0071 could be expected to further the GT Licence 'code relevant objective' of *'the promotion of efficient and economic operation of the pipeline system'*.

Other Panel Members considered that the reverse was likely as it would introduce perverse incentives to Users not to source storage in future winters if implemented.

The Panel then voted and two votes were cast in favour of implementation, P Roberts (National Grid NTS) and A Raper (National Grid UKD). Therefore the Panel did not recommend implementation of Proposal 0071.

The Proposer of Proposal 0071A considered that implementation of the alternative could be expected to further the GT Licence 'code relevant objectives' of *'the promotion of efficient and economic operation of the pipeline system'*, *'the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers'* and *'securing effective competition between relevant shippers'*.

Several Panel members showed some support for the principle behind the Proposal but did not feel they had been given sufficient time to be able to make a recommendation.

The Panel then voted and no votes were cast in favour of implementation. Therefore the Panel did not recommend implementation of Proposal 0071A.

20.5 Any Other Business.

20.6 Conclude Meeting and Agree Date of Next Meeting.

The Panel agreed to convene on 05 January 2006, 1.00pm, to consider making recommendations for the Final Modification Report 0072 "Gas Allocations at LNG Storage Facilities in the Event of a Network Gas Supply Emergency" and noted that the next full monthly Panel meeting is to be held at Elexon, 350 Euston Road, on 19 January 2006.