

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 28th MEETING HELD ON THURSDAY
6 JULY 2006

Members Present:

Transporter Representatives: T Bradley (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: P Broom (Gaz de France), S Islam (Total Gas and Power) and C Sykes (EON UK)

Ofgem Representative(s):

D Edward, A Pester

Consumers Representative(s):

None

Joint Office:

T Davis (Chairman), J Bradley (Deputy Secretary)

28.1 Note of any alternates attending meeting:

C Sykes (EON UK) for M Young (British Gas Trading) and R Cross (Statoil), S Islam for S Ladle (Total Gas and Power), B Dohel for B Grubb (Scotia Gas Networks), T Bradley for R Hewitt (National Grid NTS) and C Warner for A Raper (National Grid UKD)

28.2 Record of apologies for absence:

M Young (British Gas Trading), R Cross (Statoil), S Ladle (Total Gas and Power), R Hewitt (National Grid NTS), B Grubb (Scotia Gas Networks) and A Raper (National Grid UKD)

28.3 Record invitees to meeting:

A Love

28.4 Consideration of Final Modification Reports

- a) Proposal 0079 "Removal of obligation to Notify Meter Reader during Nomination or Confirmation activity as defined in paragraphs G 2.3.2 and G 2.6.1"

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' of *'facilitating the promotion of efficiency in the implementation and administration of the uniform network code'* and voted UNANIMOUSLY to recommend implementation of the Proposal.

- b) Proposal 0080 “Acceptance of AMR reads at supply points with correctors”

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Most Panel members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' of the '*efficient operation of the pipe-line system*' and '*facilitating effective competition between relevant shippers*'.

The Panel then voted and of the eight Members present, capable of casting ten votes, seven votes were cast in favour of implementation, S Islam (Total Gas and Power), C Sykes (EON UK) who also had proxy votes for R Cross (Statoil) and M Young (British Gas Trading), C Warner (National Grid UKD), R Cameron Higgs (Northern Gas Networks) and T Bradley (National Grid NTS). Therefore the Panel recommended implementation.

- c) Proposal 0083 “Proposal to insert obligations to process data received from iGTs in line with the requirements as outlined within Annex A of the Connected System Exit Point (CSEP) Network Exit Agreement (NExA)”

Panel Members present considered that whilst revised legal drafting had been provided, further time was required to consider this and therefore voted UNANIMOUSLY to defer making a recommendation regarding implementation of the Proposal.

- d) Proposal 0086 “Introduction of Gas Reserve Arrangements”

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. A Panel Member considered that implementation of the Proposal could be expected to increase demand side response and lower its price, and hence further the GT Licence 'code relevant objectives' of the '*facilitating effective competition between relevant shippers*', '*efficient operation of the pipe-line system*' and '*the provision of reasonable economic incentives....to secure that domestic supply security standards.... are satisfied*'.

Other Panel Members disagreed, and suggested that additional demand side response would not be forthcoming, as opposed to potentially crowding out Shipper procured services, and that having a single buyer might lead to costs being higher rather than lower.

Some Panel Members suggested that implementation would extend the System Operator's residual system balancing role, which was inconsistent with the relevant objective of '*the efficient discharge of the licensee's obligations.*'

Some Panel Members referred to the fact that much of the governance of demand side response contracts proposed were as yet unclear and hence implementation would be inconsistent with '*the promotion of efficiency in the implementation and administration of the uniform network code*'

The Panel then voted and of the eight Members present, capable of casting ten votes, one vote was cast in favour of implementation, P Broom (Gaz de France). Therefore the Panel did not recommend implementation.

28.5 Any Other Business

None.

28.6 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next Panel meeting will be held at Elexon, 350 Euston Road, on 20 July 2006.