

Post Meeting Note provided by Chris Warner, National Grid, Distribution:

02 November 2006

Pursuant to UNC Distribution Workstream Topic 014Dis (as detailed in section 3.2 of the minutes of the October 2006 UNC Distribution Workstream) National Grid Distribution (UKD) attended today's meeting of the Association of independent Gas Transporters (AiGT). The following is a summary of discussions regarding the recent tranche of iGT Network Code Modification Proposals regarding data provision and processing.

Initially UKD recalled that at the August 2006 meeting of the AiGT it had raised the issue of the potential removal of relevant CSEP NExA provisions to eradicate risks of 'double jeopardy'. This was in response to a number of iGT Network Code Modifications raised by ScottishPower which advocate addition of specific provisions to the respective iGT Network Codes that are currently present in Annex A of the CSEP NExA. UKD summarised the governance process for achieving this, which in the first instance requires the agreement of the iGTs. Subsequent to this, as the operation of the provisions directly impact upon Shippers, removal must be achieved via a Uniform Network Code (UNC) Modification (section J6.4.1 refers).

UKD explained that following the above meeting, in order to initiate the above process the Joint Office of Gas Transporters (on behalf of the Distribution Networks) wrote to the iGTs on 11 August 2006 seeking agreement (and therefore providing authority) to raise a UNC Modification Proposal to remove the relevant NExA provisions. This would be conditional on the implementation of the relevant changes to the iGT Network Codes. UKD noted that Ofgem had already directed the implementation of Modifications to the Network Code of Global Utility Connections and therefore may make a similar decision in respect of the equivalent Modification Proposals to the remaining iGT Network Codes. UKD stressed that it was a Transporter's obligation to implement where directed to do so in a timely manner.

iGTs suggested that implementation of the Modifications to iGT Network Codes (as referred to above) be postponed until the introduction of an iGT UNC which is currently planned for implementation in April 2007. Alternatively, iGTs suggested that implementation should only take place upon re-negotiation of the CSEP NExA. UKD, supported by Wales & West Utilities expressed a firm view that implementation of these Modifications (where so directed) should be pursued in isolation of any wider reviews of Network Code or NExA arrangements.

Whilst iGTs referred to a number of operational issues with regards to fulfillment of existing NExA obligations (with which UKD confirmed the large Transporters' agent xoserve would be able to assist where possible), iGTs expressed approval in principle to the removal of relevant NExA terms where equivalent iGT Network Code provisions are implemented. To formalise this, UKD asked that iGTs respond in writing to the letter issued by the Joint Office on 11 August 2006 and agreed to ask the Joint Office to reissue to iGTs the original letter (and accompanying draft UNC Modification Proposal).