

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 21st MEETING HELD ON THURSDAY
5 JANUARY 2006

Members Present:

Transporter Representatives: B Grubb (Scotia Gas Networks), R Hewitt (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), P Broom (Gaz de France), S Islam (Total Gas and Power) and Mike Young (British Gas Trading)

Ofgem Representative: Ndidi Njoku

Consumers Representatives: None

Joint Office: T Davis (Chairman) and J Bradley (Deputy Secretary)

21.1 Note of any alternates attending meeting.

S Jones (Statoil) for R Cross, S Islam (Total Gas and Power) for S Ladle

21.2 Record of apologies for absence.

R Cross (Statoil), S Ladle (Total Gas and Power) and R Cameron Higgs (Northern Gas Networks)

21.3 Record invitees to meeting.

None

21.4 Consider Urgent Modification Report.

Proposal 0072 "*Gas Allocations at LNG Storage Facilities in the Event of a Network Gas Supply Emergency*"

Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal.

The Proposer considered that implementation of this Modification Proposal could be expected to better facilitate the achievement of the GT Licence 'code relevant objective' of '*the promotion of efficient and economic operation of the pipeline system*'. Members considered that implementation of this Modification Proposal could be expected to better facilitate the achievement of the GT Licence 'code relevant objective' of '*facilitating effective competition between relevant Shippers*'.

B Grubb dissented from the view that implementation of this Modification Proposal would facilitate achievement of the Relevant Objectives since the position of the Scottish Independent Networks had not been recognised and hence implementation would not further the objective of "*the efficient discharge of the licensee's obligations under this licence.*" The Panel discussed the possibility of amending the legal text so that the allocation of tanker withdrawals to the SIU Manager account would precede the allocation of the remainder, which would be in proportion to the non SIU Manager nominations. T Davis drew the Panel's attention to the wording of the Proposal and suggested that it was uncertain whether a change of this kind would be consistent with its intent. Ofgem, however, could take a view on this prior to reaching a decision. N Njoku indicated that it would be helpful to gain a consensus of Panel members on

whether such a legal text amendment would be helpful. The Panel members confirmed that this would be the case.

The Panel then proceeded to a vote on the Modification Proposal as it stood. The following Members cast votes to recommend implementation of the Proposal: R Hewitt (National Grid NTS), A Raper (National Grid UKD), L Spierling (Wales and West Utilities), P Broom (Gaz de France), S Jones (Statoil). Therefore the Panel voted to recommend implementation of the Proposal.

Of those not voting to recommend implementation, M Young (British Gas Trading), S Islam (Total Gas and Power) and C Sykes (E.ON) emphasised that the urgent timetable did not incorporate sufficient time for Panel Members to review the representations and so it would be inappropriate for them to vote to recommend implementation.

21.5 Any Other Business.

None

21.6 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 19 January 2006.