

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 40th MEETING HELD ON TUESDAY
16 JANUARY 2007

Members Present:

Transporter Representatives: P Roberts (National Grid NTS) and L Spierling (Wales & West Utilities)

User Representatives: P Broom (Gaz de France), C Wright (British Gas Trading), S Rouse (Statoil), A Barnes (BG Group) and P Bolitho (Eon).

Ofgem Representative(s):

Consumers Representative(s):

Joint Office:

T Davis (Chairman), J Majdanski (Secretary)

40.1 Note of any alternates attending meeting:

C Wright for M Young (British Gas Trading), P Roberts for R Hewitt (National Grid NTS) and L Spierling (Wales & West Utilities) for B Grubb (Scotia Gas Networks) and R Cameron-Higgs* (Northern Gas Networks)

M Freeman was also in attendance representing National Grid Distribution as an alternate to A Raper, but the Secretary had not received notice of this

**confirmation of alternate sent to L Spierling and received by Panel Secretary after meeting close*

40.2 Record of apologies for absence:

M Young (British Gas Trading), R Hewitt (National Grid NTS) and B Grubb (Scotia Gas Networks). Apologies were also conveyed on behalf of A Raper who had been involved in an accident and hence was unavailable.

40.3 Record invitees to meeting:

None

40. 4 Consider Final Modification Reports.

- a) Proposal 0129 "Delay to 2007 AMSEC Auction"

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

The Panel was divided as to whether implementation of this Proposal would further the relevant objectives. P Roberts considered that implementation of this Proposal would facilitate economic operation of the pipeline system

because implementation would reduce the risk, and hence costs, of buy-back. Others believed that implementation would remove an opportunity for Shippers to buy and subsequently use entry capacity rights and hence implementation would be detrimental to the same relevant objective, to the facilitating of effective competition, and to the efficient discharge of Licence obligations. P Roberts believed that implementation would facilitate efficient discharge of licence obligations by providing time for issues to be considered which could support the transition from the existing licence obligations and those expected to be effective from 1 April 2007.

C Wright and S Rouse explained that due to the extremely short timetable and their role as industry representatives, they were not in a position to be able to consider making a recommendation and hence would not be voting.

The Panel then held a vote and failed to recommend implementation of the Proposal, with four votes cast in favour (P Roberts and L Spierling also proxy vote for B Grubb and R Cameron-Higgs*). In addition, M Freeman indicated that National Grid Distribution had intended to vote in favour of implementation.

The Panel requested that the Secretary record disappointment that no Ofgem representative was present for the meeting, especially as Ofgem had specifically requested that the meeting be held and a recommendation made regarding implementation.

40.5 Any Other Business

None

40.6 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 18 January 2007.