

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 45th MEETING HELD ON MONDAY
24 APRIL 2007

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS), A Raper (National Grid UKD) and B Grubb (Scotia Gas Networks),

User Representatives: C Wright (British Gas Trading), C Sykes (Statoil), A Barnes (BG Group) and R Fairholme (EON).

Ofgem Representative(s):

Consumers Representative(s):

Joint Office:

T Davis (Chairman), J Majdanski (Secretary)

45.1 Note of any alternates attending meeting:

C Wright for M Young (British Gas Trading), R Fairholme for P Bolitho (EON) and P Broom (Gaz de France), C Sykes (Statoil) for S Rouse (Statoil) and A Raper for C Warner (National Grid UKD)

45.2 Record of apologies for absence:

C Warner (national Grid UKD), S Rouse (Statoil), M Young (British Gas Trading), P Broom (Gaz de France) and P Bolitho (EON)

45.3 Record invitees to meeting:

None

45. 4 Consider Final Modification Reports.

- a) Proposal 0138 "Transitional Arrangements for Entry Capacity Transfers to Sold Out ASEPs"

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. The Proposer considered that by helping to optimise the allocation of entry capacity implementation of this Proposal could be expected to further the GT Licence 'code relevant objectives' *"the efficient and economic operation of the pipeline system"* and *"the securing of effective competition between relevant shippers"*, whereas others considered that the complexities and uncertainties, coupled with unintended adverse incentives, meant it would not. Members agreed Implementation could facilitate meeting new Licence obligations on National Grid NTS to facilitate the transfer of sold capacity between ASEPs. National Grid NTS expressed concern about the practicalities of implementing the Proposal, and felt this meant implementation would not be consistent with its Licence obligations and would not further *"the efficient administration of the Uniform Network Code"* relevant objective.

The Panel then failed to recommend implementation of the Proposal, with three votes cast in favour (C Wright, R Fairholme also proxy vote for P Broom).

45.5 Any Other Business

None

45.6 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 17 May 2007.