

**UNIFORM NETWORK CODE MODIFICATION PANEL**  
**MINUTES OF THE 46th MEETING HELD ON THURSDAY**  
**17 MAY 2007**

**Members Present:**

**Transporter Representatives:** R Hewitt (National Grid NTS), C Warner (National Grid UKD), L Spierling (Wales & West Utilities), B Dohel (Scotia Gas Networks), and R Cameron-Higgs (Northern Gas Networks)

**User Representatives:** A Barnes (BG Group) P Broom (Gaz de France), C Wright (British Gas Trading), C Sykes (Statoil) and R Fairholme (EON)

**Ofgem Representative(s):**  
R Hall and D Edward

**Consumers Representative(s):**  
None

**Joint Office:**  
T Davis (Chairman), J Majdanski (Secretary)

**46.1 Note of any alternates attending meeting:**

C Wright for M Young (British Gas Trading), R Fairholme for P Bolitho (EON), C Sykes for S Rouse (Statoil) and B Dohel for B Grubb (Scotia Gas Networks)

**46.2 Record of apologies for absence:**

B Grubb (Scotia Gas Networks), S Rouse (Statoil), P Bolitho (EON) and M Young (British Gas Trading)

**46.3 Record invitees to meeting:**

None

**46.4 Receive report on status of Urgent Modification Proposals:**

- a) Proposal 0142 "Extension of the Current Sunset Clauses for Registration of Capacity at NTS Exit Points"  
Status = Panel to consider recommendation 17/05/2007
- b) Proposals 0150/0150A "Introduction of the AMTSEC Auction"  
Status = Panel to consider recommendation 7/06/2007
- c) Proposal 0151/0151A: "Transfer of Sold Capacity between ASEPs"  
Status = Panel to consider recommendation 7/06/2007

#### **46.5 Consider New, Non-Urgent Modification Proposals**

- a) Proposal 0143 "Reduction of lapse periods in respect of Failure Notices issued in respect of Energy Balancing Credit"  
Following a presentation from R Fairholme (EON), on behalf of the Proposer, the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.
- b) Proposal 0144 "Quantification of Value At Risk (VAR) to determine a User's minimum Code Credit Limit Requirement"  
Following a presentation from C Warner (National Grid UKD) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of thirty (30) days. They did not determine that legal text was required, with no votes cast in favour.
- c) Proposal 0145 "Management of Users Approaching and Exceeding Code Credit Limit"  
Following a presentation from C Warner (National Grid UKD) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of thirty (30) days. They did not determine that legal text was required, with no votes cast in favour.
- d) Proposal 0146 "Acceptable Security Tools available to Users for Transportation Credit Arrangements"  
Following a presentation from C Warner (National Grid UKD) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of thirty (30) days. They did not determine that legal text was required, with no votes cast in favour.
- e) Proposal 0147 "Administration of Unsecured Credit Afforded on the basis of Payment History and Independent Assessment"  
Following a presentation from C Warner (National Grid UKD) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of thirty (30) days. They did not determine that legal text was required, with no votes cast in favour.
- f) Proposal 0148 "Aggregation of Credit Positions or Use of Group Ratings"  
Following a presentation from C Warner (National Grid UKD) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of thirty (30) days. They did not determine that legal text was required, with no votes cast in favour.
- g) Proposal 0149 "Gas Emergency Cashout Arrangements: Keeping the On the Day Commodity Market open during a Gas Deficit Emergency"  
Following a presentation from R Hewitt (National Grid NTS) the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of twenty five (25) days. They did not determine that legal text was required, with no votes cast in favour.

#### **46.6 Consider New Proposals for Review.**

#### **46.7 Consider Terms of Reference.**

#### **46.8 Existing Modification Proposals for Reconsideration.**

- a) Proposal 0104 "3rd Party Proposal: Storage Information at LNG Importation Facilities"  
Following a discussion the Panel voted UNANIMOUSLY to defer making a decision until the next full Panel meeting

#### **46.9 Consider Variation Requests**

- a) Proposal 0134 "Publication of Nodal NTS Demand Forecast"  
Following a discussion the Panel determined UNANIMOUSLY that the Variation Request was immaterial. Therefore Modification Proposal 0134 was deemed withdrawn and replaced by Modification Proposal 134V "Publication of Nodal NTS Demand Forecast", which is to continue forward from the same point in the modification process (see item 46.12).

#### **46.10 Consider Workstream Monthly Reports.**

- a) Distribution  
Proposal 0136 "Reconciliation following AQ Amendment where an SSP becomes an LSP prior to calculation of Provisional Annual Quantity"  
Following a discussion the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.  
  
Proposal 0141 "Revision to the 'User Suppressed Reconciliation Values' Financial Incentives arrangements"  
Following a discussion the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour.
- b) Transmission
- c) Governance
- d) Offtake Arrangements

#### **46.11 Consider Review/Development Work Group Reports.**

- a) Proposal 0126, "Restriction of Invoice Billing Period"
- b) Proposal 0131 "LDZ RbD Reconciliation Notification Process"
- c) Proposal 0140 "Review of Information Provision on National Grids Information Exchange"

#### **46.12 Consider Final Modification Reports.**

- a) Proposal 0088 "Extension of DM Service to Enable Consumer Demand Side Management"  
Following a discussion the Panel voted UNANIMOUSLY to defer making a recommendation until next month

- b) Proposal 134V "Publication of Nodal NTS Demand Forecast"  
Panel Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Workgroup. Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives "*the economic and efficient operation of the pipeline system*" and "*the securing of effective competition between relevant shippers*". The Panel then voted UNANIMOUSLY to recommend implementation of the Proposal.
- c) Proposal 0139 "Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period"  
Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Workgroup  
Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives "*the economic and efficient operation of the pipeline system*" and "*the securing of effective competition between relevant shippers*". The Panel then voted and five votes were cast in favour of implementation, the following Members casting votes: R Hewitt, C Warner, R Cameron-Higgs, L Spierling and B Dohel. Therefore the Panel did not recommend implementation of this Proposal.
- d) Proposal 0139A "Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period"  
Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Workgroup  
Some Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives "*the economic and efficient operation of the pipeline system*" and "*the securing of effective competition between relevant shippers*", whilst some considered it raised issues of discrimination, as it would only apply to DN Offtakes from the NTS. The Panel then voted and five votes were cast in favour of implementation, the following Members casting votes: C Wright, A Barnes, C Sykes, P Broom and R Hewitt. Therefore the Panel did not recommend implementation of this Proposal.

The Panel then proceeded to vote on which of the two Proposals would better facilitate achievement of the Relevant Objectives. Of the 10 Voting Members present, capable of casting 10 votes, 5 votes (R Hewitt, C Warner, R Cameron-Higgs, L Spierling and B Dohel) were cast in favour of implementing Modification Proposal 0139 in preference to Alternative Modification Proposal 0139A, whereas 4 votes (C Wright, A Barnes, C Sykes, P Broom) were cast in favour of implementing the Alternative Modification Proposal 0139A in preference to Modification Proposal 0139,. Therefore the opinion of the Panel was that implementation of Proposal 0139 would better facilitate the achievement of the Relevant Objectives.

- e) Proposal 0142 "Extension of the Current Sunset Clauses for Registration of Capacity at NTS Exit Points"

Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Workgroup.

Members considered that implementation of the Proposal could be expected to further the GT Licence 'code relevant objectives' *"the economic and efficient operation of the pipeline system"* and *"the securing of effective competition between relevant shippers"*. The Panel then voted by PANEL MAJORITY to recommend implementation of the Proposal, the following Members casting votes: P Broom, A Barnes, C Wright, C Sykes, R Hewitt, C Warner, L Spierling, B Dohel and R Cameron-Higgs.

#### **46.13 Receive report on status of Consents.**

#### **46.14 Any Other Business**

#### **46.15 Conclude Meeting and Agree Date of Next Meeting:**

The Panel noted that the next Panel meeting is due to be held by teleconference on 7 June 2007, with a full monthly Panel meeting due to be held at Elexon, 350 Euston Road, on 21 June 2007