

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 50th MEETING HELD ON THURSDAY
2 AUGUST 2007

Members Present:

Transporter Representatives: M Watson (National Grid NTS), L Spierling (Wales & West Utilities) and B Grubb (Scotia Gas Networks).

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

Ofgem Representative(s):
Bogdan Kowalewicz, Siobhan Carty

Consumers Representative(s):
None

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

50.1 Note of any alternates attending meeting:

M Watson for R Hewitt (National Grid NTS), L Spierling (Wales & West Utilities) for R Cameron-Higgs (Northern Gas Networks), C Wright for M Young (British Gas Trading), R Fairholme for P Bolitho (EON), and C Sykes for S Rouse (Statoil)

50.2 Record of apologies for absence:

R Hewitt (National Grid NTS), C Warner (National Grid UKD), R Cameron-Higgs (Northern Gas Networks), S Rouse (Statoil) and P Bolitho (EON)

50.3 Record invitees to meeting:

Clare Temperley (Gas Forum)
Fiona Riches (Argus Media Group)
Leigh Bolton (Cornwall Energy Associates)
Angela Love (Poyry Energy Consulting)

50.4 Consider Final Modification Reports.

- a) Proposal 0156 "Transfer and Trading of Capacity between ASEPs"
Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Most Members considered that implementation of the Proposal could be expected to facilitate capacity rights being allocated where Users value them most and thereby attract additional gas supplies to the market. This could 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*". It was also noted that implementation would be consistent with a proposed Licence obligation on National Grid NTS, and hence in the future might be expected to better facilitate the GT Licence 'code relevant objective' "*the efficient discharge of the licensee's obligations*". The Panel then voted and seven votes were cast in favour of implementation: A Barnes, P Broom, C Wright, M Watson, B Grubb, and

L Spierling (also proxy vote for R Cameron-Higgs). Therefore the Panel recommended implementation of this Proposal.

b) Proposal 0156A: "Transfer and Trading of Capacity between ASEPs"

Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. Most Members considered that implementation of the Proposal could be expected to facilitate capacity rights being allocated where Users value them most and thereby attract additional gas supplies to the market. This could 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*". It was also noted that implementation would be consistent with a proposed Licence obligation on National Grid NTS, and hence in the future might be expected to better facilitate the GT Licence 'code relevant objective' "*the efficient discharge of the licensee's obligations*". The Panel then voted and eight votes were cast in favour of implementation: A Barnes, R Fairholme, P Broom, C Wright, M Watson, B Grubb, and L Spierling (also proxy vote for R Cameron-Higgs). Therefore the Panel recommended implementation of this Proposal.

The Panel then proceeded to a vote on which of the two Proposals would better facilitate achievement of the Relevant Objectives. Of the 9 Voting Members, capable of casting 9 votes, 1 vote (M Watson) was cast in favour of implementing Modification Proposal 0156 in preference to Alternative Modification Proposal 0156A, whereas 5 votes (C Wright, R Fairholme, A Barnes, P Broom and C Sykes) were cast in favour of implementing the Alternative Modification Proposal 0156A in preference to Modification Proposal 0156. Therefore the opinion of the Panel was that implementation of Proposal 0156A would better facilitate the achievement of the Relevant Objectives.

50.5 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 August 2007 to make a recommendation for Urgent Modification Proposal 0163, with the next full Panel meeting on 16 August 2007.