

UNIFORM NETWORK CODE MODIFICATION PANEL
MINUTES OF THE 67th MEETING HELD ON THURSDAY
18 SEPTEMBER 2008

Members Present:

Transporter Representatives: R Hewitt (National Grid NTS), C Warner (National Grid UKD), J Martin (Scotia Gas Networks) and S Trivella (Wales & West Utilities).

User Representatives: A Barnes (BG Group), P Broom (Gaz de France), C Wright (British Gas), R Fairholme (EON UK) and S Leedham (EDF Energy).

Ofgem Representative(s):

J Boothe.

Consumers' Representative(s):

None.

Joint Office:

T Davis (Chairman), J Majdanski (Deputy Secretary)

67.1 Note of any alternates attending meeting:

S Trivella (Wales & West Utilities) for R Cameron-Higgs (Northern Gas Networks) and J Martin for A Gibson (Scotia Gas Networks)

67.2 Record of apologies for absence:

R Cameron-Higgs (Northern Gas Networks) and A Gibson (Scotia Gas Networks)

67.3 Record invitees to meeting:

None

67.4 Receive report on status of Urgent Modification Proposals:

None

67.5 Consider New, Non-Urgent Modification Proposals

- a) Proposal 0222: "Amendment of Interconnector UK's Minimum Wobbe Limit"

Following a presentation from R Hewitt (National Grid NTS), the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for a reduced period of 10 Days. They also noted that there is no change to the UNC text associated with this Proposal.

- b) Proposal 0223: "Provision of day ahead Gas Flow Nomination data at major Aggregated System Entry Points"

Following a presentation from R Hewitt (National Grid NTS), 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.

- c) Proposal 0224: Facilitating the use of AMR in the Daily Metered Elective Regime

Following a presentation from P Broom (Gaz de France), the Panel voted UNANIMOUSLY for the Proposal to proceed to Development.

67.6 Consider New Proposals for Review.

None

67.7 Consider Terms of Reference.

- a) Proposal 0221: "Review of Entry Capacity and the Appropriate Allocation of Financial Risk"

Following a discussion, the Panel voted UNANIMOUSLY to defer a decision until next month to allow further clarification.

67.8 Existing Modification Proposals for Reconsideration.

None

67.9 Consider Variation Requests

None

67.10 Consider Workstream/ Development/Review Group Reports.

Matters for Panel's Attention.

- i) Proposal 0209: "Rolling AQ"

Following a request, the Panel voted UNANIMOUSLY to extend the time for the Review Group to report until December 2008.

- ii) Proposal 0194: "Framework for Correct Apportionment of NDM Error"

The Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation for an extended period of 30 Days. They did not determine that legal text was required, with no votes cast in favour.

- iii) Proposal 0213: "Introduction of User Pays Governance Arrangements into the UNC"

Following a discussion, the Panel voted UNANIMOUSLY to defer a decision until next month to allow draft legal text to be prepared.

- iv) Proposal 0218: "Amendment to the base period used to define Seasonal Normal weather"

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.

67.11 Consider Final Modification Reports.

- a) Proposal 0199: "Clarification around the application of the UNC Dispute Resolution Process"

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 Work Group. However they noted that views were polarised as to whether or not a Modification was needed to clarify the UNC dispute resolution process, which was largely a question of legal interpretation which Panel Members did not feel qualified to address.

The Proposer considered further clarity on the scope of the dispute process was needed in the UNC and therefore, by reducing uncertainty, believed that implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' of *"the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code"*. Other Members considered the UNC was already clear and that the additional words proposed could create uncertainty regarding the scope of the dispute process and so would not further this objective.

The Panel then proceeded to vote with the following Members casting votes to recommend implementation of the Proposal: S Leedham (EDF Energy) and C Wright (British Gas Trading). Therefore the Panel did not recommend implementation of the Proposal.

- b) Proposal 0201VV: "Small Value Invoice Payment Deferral"

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 Work Group.

Most Members considered that, by facilitating economic invoicing and payment, implementation of the Proposal could be expected to further the GT Licence 'code relevant objective' of *"the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code"* and voted by Panel Majority to recommend implementation of the Proposal, the following Members casting votes: S Leedham (EDF Energy), C Wright (British Gas Trading), A Barnes (BG Group), R Fairholme (E.ON UK), P Broom (Gaz de France), J Martin (Scotia Gas Networks) and S Trivella (Wales & West Utilities) also proxy vote for R Cameron-Higgs (Northern Gas Networks).

67.13 Receive report on status of Consents.

- a) C020: "Changes to Document References Contained Within the UNC"
- b) C021: "Changes to Cross References Contained Within UNC TPD Section F – System Clearing, Balancing Charges and Neutrality"
- c) C022: "Amendment to the Original Legal Text for UNC Modification 0090 to Reflect Market Changes"

67.14 Any Other Business

- a) T Davis advised Members that as the first Thursday in January 2009 fell on a Non Business Day (1st) it would be necessary to reschedule the Transmission Workstream. He suggested slipping all that month's Thursday meetings by one week to start on the 8th January to which Members agreed. He also advised that the December 2008 Distribution Workstream would need to be rescheduled as it would otherwise fall on Thursday 25th.
- b) R Hewitt informed Members that NTS would be undertaking a review of Section K of the UNC.
- c) S Leedham referred to the recent notification of a reduction in West Midlands Transportation Charges. He noted that this was on less than the two months notice specified in the UNC and suggested it was important to keep to this period regardless of the scale and direction of the change. Transporters noted his comments.

67.15 Conclude Meeting and Agree Date of Next Meeting:

The Panel noted that the next Panel meeting is due to be held at Elexon, 350 Euston Road, on 16 October 2008.