



Julian Majdanski
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Dear Julian

EDF Energy Response to UNC Modification 0099 “Management of erroneous domestic AQs during the registration process.”

EDF Energy welcomes the opportunity to respond to this proposal for the management of erroneous domestic AQs during the registration process and offer our full support for its implementation. We believe that this proposal will help to ensure that customers are treated in a fair and accurate manner, and that their estimated bills are reflective of the energy they have actually consumed, rather than being based on an inaccurate AQ that is difficult to adjust in a timely manner. We note that the current timescales for the completion of the BTU form are particularly testing, given the detail required, resulting in the under utilisation of this service.

The industry has long had an accepted method of estimating accurate domestic AQs, based on the NExA tables. The amendment of the BTU form to incorporate these NExA tables will ensure the prompt correction of erroneous registered AQs. Wrongly registered AQs lead to misallocation of gas used. The result is that the wrong sector may be charged, however temporarily. The cost of achieving accuracy is minimal, whilst the benefit to the Shippers, Transporters and Customers is well stated. Promptness and accuracy should lead to a corresponding reduction in the workload from Reconciliations by Difference (RbD) transactions, and so potentially represent a cost saving to both Shippers and Transporters.

This proposal is yet another step in ensuring that AQs are correctly registered, EDF Energy believes that the accuracy of AQs is vital to the allocation and RbD processes which take place in the industry. The accurate, prompt, allocation of gas used is vital to all members of the community

Extent to which implementation of the proposed modification would better facilitate the relevant objectives.

We support the assertion that by removing inappropriate cost allocations, and so improve cost reflectivity this proposal will facilitate achievement of Special Standard Condition (SSC) A11.1 (d) the securing of effective competition between gas Shippers and gas Suppliers. We further believe that this proposal will be beneficial to the change of supplier process, by reducing the complexity of information that is required to support an AQ amendment.

It is further apparent that by encouraging the use of accurate AQs within the industry Transporters will be able to develop a more accurate picture of the supply demand balance

fundamentals. This could ensure that balancing actions are not undertaken based on an inaccurate view of the market and so help to achieve SSC A11.1 (a) – the efficient and economic operation of the pipeline system. It would also appear that this could also have an impact on the safety monitors and emergency contact information, which may be beneficial to security of supply as the monitors would more accurately reflect the gas required to maintain supplies to those customers who cannot be protected in an emergency through isolation. It could therefore be argued that this proposal will facilitate SSC A11.1 (?) the efficient discharge of the licensee's obligations.

We would further note that by streamlining the AQ process and encouraging the use of more accurate AQs, it is clear that the amount of energy that needs to be redistributed through the RbD process will be reduced. This should represent a reduction in costs to both Transporters and Shippers, which should outweigh the associated costs required to support this process. EDF Energy therefore believes that this proposal will facilitate SSC A11.1 (?) the efficient implementation of the UNC.

The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation.

As previously stated EDF Energy believes that this proposal will have a positive impact on security of supply and operation of the Total System.

The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

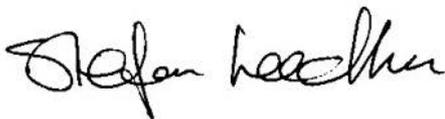
We believe that implementation of this process will reduce our administrative costs, as the process for altering AQs is more efficient and the volume of energy redistributed through RbD should reduce. We would further note that under the current arrangements Shippers ultimately bill consumers for their actual consumption, when the meter reads come in, however we have to pay for capacity and balance based on the AQ. Improving the accuracy of AQs will ensure our costs are more reflective of the revenues we will collect thereby reducing our supply risks and costs.

The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

As previously stated this proposal will help to ensure that estimated bills are more reflective of the energy that the consumer has used, which we believe will be beneficial to consumers.

I hope you find these comments useful and please contact me should you wish to discuss these in greater detail.

Yours sincerely

A handwritten signature in black ink that reads "Stefan Leedham".

Stefan Leedham
Gas Market Analyst
Energy Regulation, Energy Branch.