

Representation For. 0096

"Reconciliation following AQ Amendment, SSP becoming LSP following inter process amendment of AQ"
Version 1.0

Date of Communication: 29/08/2006
External Contact: JOHN COSTA (Edf Energy Plc)
Slant: For
Strictly Confidential: No

Abstract

Mr. Julian Majdanski
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29 August 2006

Dear Julian,

Re: EDF Energy response to UNC modifications 096/ 095 /094 relating to reconciliations relating to AQ amendments.

EDF Energy welcomes the opportunity to respond to these modification proposals and offer our full support to their implementation. We believe that these are relatively straight forward proposals to remove a discrepancy in the UNC that may prevent the correct allocation of energy and transportation commodity charges following the AQ revision.

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

EDF Energy believes that implementation of these proposals would ensure effective allocation of costs amongst shippers and suppliers. This would facilitate the relevant objective of encouraging competition amongst these classes of User. We believe that under the current UNC these exclusions present an artificial barrier to supply points being correctly classified as Large Supply Points that could result in the incorrect allocation of costs for a significant period of time. We also believe that implementation of this proposal would ensure that any imbalance charges are targeted at those shippers who are causing the imbalance. This combined with the current incentives to balance positions, would reduce the balancing actions required of the residual system balancer and allow it to operate its pipelines more efficiently and economically.

For clarity we have been unable to identify any disadvantages of implementing these proposals or system impacts other than those identified above.

Yours faithfully

John Costa
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