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Dear Julian

**EDF Energy Response to UNC Modification 0123 “Provision of Demand Information to Meet the 14.00 Total System Demand Forecast”.**

EDF Energy welcomes the opportunity to respond to this consultation. We would also like to take the opportunity to express our concern with the recent trend for modifications to be raised and granted urgency following Ofgem’s decision to implement a modification that has already gone through a full consultation process. If the implemented proposal has as large a commercial impact as these modifications suggest, then we would question why an alternative proposal was not raised at the time so that sufficient time could be given to consider the implementation timing issues. We recognise that the proposer may not have fully appreciated or identified the full ramification of modification 100 but we question what has been identified now that wasn’t identified during the consultation process and if they had why they raised earlier. EDF Energy believes that the industry has a developed consultation and decision process in place, that is being ignored and eroded by these modifications, with the impact that modifications are raised that have not been fully developed and do not have to undergo as full a consultation process as should be expected. We do not support the implementation of this proposal, and in particular believe that:

- National Grid Gas Distribution (NGGD) has raised this modification proposal in response to approval of modification 100, which required Gas Distribution Networks (GDNs) to submit their Offtake Profile Notice (OPNs) by D-1 12.30, although Daily Metered (DM) sites connected to the GDN do not have to submit their OPN until D-1 13.00. We believe that a simpler solution to creating the concept of a new Summarised OPN (SOPN) and altering the times that GDNs have to submit OPNs, would have been to bring forward the GDN connected DM submission time for OPNs to D-1 10.00. EDF Energy has the systems in place to fulfil this requirement, and believe other Shippers have the ability to do likewise.
- The GDNs appear reluctant to develop this concept as submissions relating to demand information and OPN submission would be “compressed into the pre-12.30 part of the gas day”, requiring increased workforce numbers. This suggests that GDNs would be required to continue to produce their demand information and OPN notices separately, when in fact it would appear that demand information would be a function of OPN construction. We are also surprised that the GDNs are unable to develop systems to process this data, given that EDF Energy currently enjoys the benefit of similar systems, and enjoys the benefits of the recently introduced electronic OPN submission negating the increased requirement for workforce numbers.

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- An additional excuse for not wanting to produce the OPN earlier is that NGGD would have to rely on an earlier met office report on which to base their demand forecasts. National Grid in its submission to its modification proposal states that it did not expect to see all parties produce the most accurate data immediately. We recognise that using an earlier met office report may not produce as accurate a result as using a later report, however we do not believe that this requires the implementation of modification proposal 123, especially as NGGD have not demonstrated that implementation of mod 100 will have a significant impact on the accuracy of their demand forecasts.
- NGGD has created the concept of a new SOPN to be submitted by D-1 12.00 to replace the OPN requirement. It is proposed that GDNs would continue to submit OPNs in line with the current requirements detailed in the OAD, but we note with concern that there would be no requirements on Shippers to submit an OPN at all. Instead it is proposed that Shippers be required to submit an SOPN that may take the format of an OPN, but does not have to. We believe that this proposal could therefore have a significant and detrimental impact on security of supply and operation of the system if Shippers were not required to submit OPNs.
- This proposal would therefore have a negative impact on achieving relevant objectives laid down in Standard Special Conditions (SSC) A11.1 (a) – the efficient and economic operation of the pipeline system – and SSC A11.1 (c) – the efficient discharge of the licensee’s obligations in relation to security of supply. We further note that the Proposer has failed to identify how implementation of this proposal will facilitate the achievement of any of the relevant objectives.

On a side issue EDF Energy would like to take the opportunity to note that this proposal clearly demonstrates the shortcomings of GDN sales. Prior to this reform National Grid, as single Transporter would have developed internal procedures to overcome these issues and ensure that the D-1 14.00 demand report was as accurate as possible. Instead we now have several Transporters arguing over what the optimal position is and issuing consultations with a 3 day response window that have not been fully developed.

I hope you find these comments useful, and please contact me should you wish to discuss these comments further.

Yours sincerely

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

Stefan Leedham  
Gas Market Analyst  
Energy Market Strategy, Energy Branch.