Tim Davis Joint Office of Gas Transporters 31 Homer Road Solihull West Midlands B91 3LT



08 February 2008

Dear Tim

EDF Energy Response to UNC Modification Proposal 0193: "Removal of Certain "Gas not made available for Offtake" Provisions from the UNC".

EDF Energy welcomes the opportunity to respond to this modification proposal. We would like to provide comments in relation to this proposal.

Recently there has been a tendency to raise modification proposals to the Uniform Network Code to reflect proposed Licence Condition Changes before they are enacted. This particular proposal is an example of these modifications, along with 0188 and the suite of entry capacity transfer and trade proposals that were raised prior to the Licence Condition being enacted. In the case of the entry capacity transfer and trade proposals, EDF Energy supported these as we believed that they had additional benefits of encouraging competition between Shippers and facilitating the economic and efficient operation of the pipeline system. In the case of 0188 and 0188A we argued that they would help to secure competition between Shippers as they targeted costs, although a counter argument could be that it is the Agency Charging Statement that is targeting costs and so it is not the proposal that is facilitating this. However if this were the case then we would have been forced to oppose a proposal that we had raised. We have therefore managed to support these proposals as they facilitated other relevant objectives in addition to reflecting the proposed licence condition changes.

However in the case of proposal 0193 we have found it hard to identify the benefits of this proposal other than to reflect a potential change in the Regulations. We note that the statutory instrument to effect the changes to the Regulations has not even been issued for consultation, and the Secretary of State has to give effect to these changes. If these changes were not made then we would not be able to support this proposal, as it would not facilitate any relevant objectives. Conversely we also do not believe that GDNs should be exposed to the risk of facing obligations under both the code and Regulations, and so in the event of the changes to regulations being enacted we would support this proposal. We believe that going forward it would be beneficial were any changes to the Licence Conditions, or Regulations to be enacted with sufficient notice period for any required modification proposals to be implemented.

As with proposal 0188 and 0188A we would request that the panel and Ofgem consider how this proposal can be judged against the relevant objectives when the ability to facilitate this is subject to a separate consultation process and decision.

EDF Energy 40 Grosvenor Place Victoria London SW1X 7EN Tel +44 (0) 20 7 752 2145 Fax +44 (0) 20 7 752 2384

edfenergy.com



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

Yours sincerely

Stefan Leedham Gas Market Analyst

Energy Regulation, Energy Branch

Dafan harether