

06 June 2008

Julian Majdanski
UNC Modifications Secretary
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Dear Julian

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**Response to Uniform Network Code Modification Proposal 0202
Improvement to more frequent readings provisions to allow benefits
of AMR**

Thank you for the opportunity to respond to the above modification proposals. Gaz de France ESS does not support the implementation of the above modification proposal at this time.

Gaz de France ESS is actively supporting of the role out of AMR to the business sector and fully appreciates the benefits to suppliers and customers in terms of improved information on energy use and more accurate billing. Also, Gaz de France ESS has raised UNC Review Group 175 to identify improvements to the read submission and settlement regime using AMR for the business sector above the current RbD threshold.

Significant benefits of reduced reconciliation volumes and price risks can be realised to suppliers and customers where reads that are submitted to the relevant transporter are used in the settlement regime. This is not the case under UNC 0202 where reads submitted will not be used for settlement purposes as the sites affected will be subject to RbD. It is also unlikely that there will be any improvement to the data accuracy of AQs by submitting additional reads to the transporter. Additional reads can already be submitted on a selective basis by shippers as part of the existing AQ review process or potentially in future as part of a rolling AQ process without the need for an excessive number of redundant reads hitting the transporter systems.

It is important that the priority of read submission is seriously considered in the short to medium term prior to UK link replacement in 2012. The current central systems are constrained in terms of the number of reads that can be accommodated each day and recent experience has shown that the system is already close to capacity. Introducing the potential for a weekly submission of reads for sites in the RbD segment is both inefficient for the central systems and uneconomic relative to the limited benefits UNC 0202 could offer.

Gaz de France ESS is concerned that should this modification be accepted at the present time it is likely that higher volume business sites participating in a DM elective regime could be constrained due to lack of space and processing capacity in the central systems at the expense of RbD sites. The opportunity cost effect of this would be regrettable given the significantly higher benefits that could be delivered in the short to medium term from the non-RbD business market.

Gaz de France ESS would support a similar proposal to UNC 202 being raised at a later date to coincide with the replacement of UK Link systems in 2012. At this date fuller benefits could be derived should a review of RbD settlement processes be considered and additional system capability would be available.

I trust these comments are helpful, if you have any queries regarding this response please contact me on 0113 306 2104.

Yours sincerely



Phil Broom
Regulatory Affairs Manager
Gaz de France ESS