

John Bradley
UNC Panel Secretary
31 Homer Road
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West Midlands
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06 November 2008

Dear John

EDF Energy Response to UNC Modification Proposals 0220: “Invoicing Arrangements for Late Payments”.

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0220.

EDF Energy recognises that currently the UNC is unclear on the obligations to raise Interest Invoices, which could create a perverse incentive. We believe that implementation of this proposal will clarify this situation and ensure Interest Invoices are issued in a timely manner. We would note that this should have a beneficial impact on Shippers’ settlement systems as they will be able to ensure that Interest Invoices are correctly matched.

In addition to the comments raised in the draft modification report, EDF Energy would make the following observations:

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

Standard Special Condition A11.1 (c): so far as is consistent with sub-paragraphs (a) to (b), the efficient discharge of the licensee’s obligations under this licence:

Standard Special Condition A5 of the GDN and NTS Licences requires the Transporters to develop a charging methodology so that “compliance with the charging methodology results in charges which reflect the costs incurred by the Licensee in its Transportation business.” This proposal will ensure that costs are targeted at those who are causing them to be incurred in a timely manner. This could therefore be seen to facilitate this relevant objective, albeit marginally.

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

Development and capital cost and operational cost implications

Ensuring the timely issuing of Interest Invoices will benefit Shippers in their matching on their settlement systems. This could therefore reduce operational costs.

I hope you find these comments useful, however please contact my colleague Stefan Leedham (Stefan.leedham@edfenergy.com, 0203 126 2312) if you wish to discuss this response further.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Seb Eyre".

Dr. Sebastian Eyre
Energy Regulation, Energy Branch