

John Bradley
UNC Panel Secretary
31 Homer Road
Solihull
West Midlands
B91 3LT



07 August 2009

Dear John

EDF Energy Response to UNC Modification Proposal 0257: “Revision of the Gas Balancing Alert (GBA) Trigger/Safety Monitor”.

EDF Energy welcomes the opportunity to respond to the UNC Modification Proposal. We do support implementation of Modification Proposal 0257.

EDF Energy has supported the proposed changes to the Gas Safety Monitor Methodology that NGG has implemented this year. We believe that creating a single safety monitor level for all storage facilities will ensure that all storage facilities and Shippers utilising these facilities are treated in an equitable and transparent manner. We believe that this will be beneficial to competition.

In addition we would note that an additional perceived benefit will be to reduce the volatility in the GBA trigger level. We would note that due to the GBA trigger calculations the trigger was revised numerous times last winter in response to fluctuating supply and demand patterns. We would note that this created concern and significant discussions at certain forums. We therefore believe that reducing volatility in the GBA trigger level should reduce the concerns that were raised by some market participants.

However we would express our concern with the suggested legal text prepared by NGG regarding the revisions to the Gas Safety Monitor (Section Q 5.1.1 (f)). In particular we believe that the exiting wording in the UNC is compatible with both the old and existing safety monitor methodology. Whilst the proposed legal text does sit better with the updated methodology we remain concerned that this would be incompatible with a return to the old methodology. This would therefore appear to artificially constrain NGG and require them to raise a UNC modification proposal were they to revert to the old methodology in future years. For clarity EDF Energy fully supports the new methodology and does not advocate the return to the old methodology, however we do not want to artificially constrain NGG in the future. In this instance even though NGG are a transporter we trust them to do the right thing.

In relation to the particular comments raised in the modification proposal EDF Energy would make the following comments:

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

Standard Special Condition A11.1 (f): so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;

Ensuring that the UNC and Safety Monitor Methodology were aligned could be seen to be beneficial to the efficient implementation and administration of the UNC. However as

previously noted we remain concerned that the proposed changes to Section Q 5.1.1 (f) would artificially constrain NGG's choice of methodology in the future. It would not appear to be efficient to require a UNC modification change for any future safety methodology revisions.

9. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

We would note that one of the intentions behind the GBA work of the DSWG was to create a transparent trigger which customers could use to underpin a commercial interruption contract with their supplier. It would therefore appear that creating a more stable GBA trigger would provide an additional benefit to consumers whose commercial supply contracts were referenced to this.

I hope you find these comments useful, however please contact my colleague Stefan Leedham (Stefan.leedham@edfenergy.com, 020 3126 2312) should you wish to discuss these in further detail.

Yours sincerely

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

Dr. Sebastian Eyre
Energy Regulation, Energy Branch