

John Bradley
UNC Modifications Secretary
51 Homer Road
Solihull
B91 3LT

14 April 2010

Dear John,

Response to UNC Modification Proposal 0279 – Improving the availability of meter read history and asset information.

Introduction

Thank you for the opportunity to respond to the above modification proposal. GDF Suez Energy UK supports the implementation of UNC 0279.

The intent of the proposal

This modification proposal seeks to rectify an inherent flaw in the current processes by providing access to meter read and meter asset history to the registered shipper. Currently, any incoming shipper is blind to such information as far as industry information flows are concerned and the proposal seeks to rectify this by allowing the release of a report to shippers which will give access to a three year history of the key data items listed.

The proposal is primarily aimed at helping shippers to more accurately review their Annual Quantity (AQ) during the annual review process but it should have the effect of improving gas data quality overall.

Merits of the proposal

The implementation of modification proposal UNC 0279 would better facilitate relevant objective set out in SSC A11.1d; the securing of more effective competition between relevant shippers and suppliers. The following attributes apply:

1. The proposal removes an existing inequity in the code whereby currently incumbent shippers have access to a fuller history of meter read and meter asset information than acquiring shippers. By removing this inequity the proposal improves competition in the market overall and removes a barrier to entry for new suppliers.
2. The use of the information enabled by this proposal by shippers in the AQ review process should improve the accuracy of AQs in both the Small Supply Point (SSP) and Large Supply Point (LSP) sectors. This in turn should bring about a more accurate initial allocation of gas and a reduction in the overall level of

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reconciliation. This is true for both sectors; LSP individual reconciliation and RbD. More accurate allocation of gas and a reduction in the overall reconciliation value should have the effect of reducing risk premia and therefore reducing the cost for consumers.

3. Additionally, shippers would benefit from the increased information made available by this proposal in respect of invoice validation. This would be particularly true in the case of invoices relating to mod 640 charges which cannot be thoroughly validated at present.

Addressing Concerns

On a point of clarity, some parties who have not been directly involved in the development of this proposal, and who are not close to the detail, have quite understandably expressed concern that the information provided under the modification should not prejudice the commercial confidentiality of the end consumer. In response to this concern, as the proposer of UNC0279, we can assure parties that the proposal purposely offers protection to consumers in this regard. The proposal is structured in such a way as to only release information by way of a discrete report to the incumbent shipper only. Information will not be accessible to competitors or made available more widely on any enquiry system or routine.

End of response

I trust this information is helpful and if you have any questions or would like to discuss further, please do not hesitate to contact me on 0113 306 2104 or mobile 07733 322460.

Yours Sincerely,

A handwritten signature in blue ink that reads "P. Broom". The letters are cursive and slightly slanted.

Phil Broom
Regulatory Affairs Manager
GDF Suez Energy UK