EDF Energy Customers Ltd – New Shipper ID request

UNC Committee Meeting – 18 April 2019

Background

EDF Energy wishes to launch a distinctive new business proposition in the gas market. This will be operated under our existing shipper and supply entity.

Customers signing up will be serviced separately from the existing portfolio. This results in a need for separate routing of industry flows to support the new business proposition.

We need to be able to segregate flow traffic and using a new shipper ID will simplify this process and increase transparency for all market participants.

EDF Energy View and Decision Sought

EDF Energy seeks the approval of the UNC Committee for the proposed configuration, allowing a second shipper ID to be held under the existing legal entity EDF Energy Customers Ltd and its existing shipper licence.

There is precedence already where currently Orsted Sales UK Ltd have one Shipper Licence and two Shipper short codes associated with that licence.

This was brought to the attention of Xoserve, who following investigation, confirmed this was the case and confirmed it had no adverse impact on their operations.

The belief is that Orsted were granted permission to have two codes due to a business separation, as two codes ensured administrative efficiency and minimised any user impact.

Current & Proposed Configurations

Current configuration in the Gas market:

Entity = **EDF Energy Limited**
    Shipper Id = **LEP**
        Supplier Id = **LEI**

Entity = **EDF Energy Customers Limited**
    Shipper Id = **SOG**
        Supplier Id = **LED**
        Supplier Id = **SBR**

Proposed new configuration in the Gas market:

Entity = **EDF Energy Limited**
    Shipper Id = **LEP**
        Supplier Id = **LEI**

Entity = **EDF Energy Customers Limited**
    Shipper Id = **SOG**
        Supplier Id = **LED**
        Supplier Id = **SBR**
    Shipper Id = **EDS**
        Supplier Id = **EDF (this will be applied for separately)**

UNC Objectives

Recognising the objectives of the UNC, EDF Energy has assessed the potential impact of the proposed approach, summarised below:

A - Efficient discharge of the licensee's obligations.

Positive impact - No impact on any other licensee and will allow Shipper licensee to efficiently comply   with code

D - Securing of effective competition:
- *between relevant shippers;*
- *between relevant suppliers; and/or*
- *between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers*

Positive impact - Is intended to allow for increased competition in customer market, which can be delivered in a timely manner. Another Shipper licensee currently operates with two short codes under one Shipper Licence

F - Promotion of efficiency in the implementation and administration of the Code

Positive impact - Demonstrates improved efficiency in comparison to entering into   a new application process.

Represents an efficient way forward for CDSP to prevent issues that could be derived from exceptions.

View of the UNC

Section V 2.4 Single User admission

Unless expressly otherwise provided in the Code or agreed by the Transporters, a person may only be one User for the purposes of the Code, and accordingly a person who is for the time being a User may not make a further application to be admitted as a User.

The UNC is very clear that one legal entity cannot be a User twice. It is not prescriptive that it prohibits one User having more than one User ID. The definition of "Shipper User" doesn't introduce that prohibition:

"Shipper User" means a person other than a Transporter (but subject to TPD Section V7) or a Trader User who is for the time being bound by the Code pursuant to a Shippers Framework Agreement;

Nor does it seem to be imposed by Section V. We have not been able to find a prohibition on a single User being given multiple IDs.

Xoserve view

- Xoserve in it's role as CDSP will not grant a new shipper ID without direction from the Transporters

- Xoserve interpret Section V 2.4 of UNC that only one code should be allowed against one shipper licence. As UNC states that each legal entity can only have one shipper licence, they believe they cannot grant us this permission without direction.

- They state 'To become a Shipper User the party is required to become a signatory of the Framework agreement binding them to UNC, this places the contractual bond between the UNC and the Organisation/Licence, this makes them a user.'

- They state: 'there are no limitations that would preclude us from creating multiple shipper short codes against a single company or licence.' however that permission must be sought from UNCC.

THANK YOU