

Bob Fletcher
UNC Panel Secretary
31 Homer Road
Solihull
West Midlands
B91 3LT

16 April 2010

Dear Bob

EDF Energy response to UNC Modification Proposal 0279: "Improving the availability of meter read history and asset information".

EDF Energy welcomes the opportunity to respond to this UNC Modification Proposal. We support implementation of Modification Proposal 0279.

EDF Energy has actively supported development of this proposal as we believe that providing this information to Shippers will have a significant benefit to their businesses. In particular we note that providing this information will enable Shippers to more actively engage in the AQ Review as they will have access to historical information that is being used for setting the AQ. As an incoming Shipper without this information we are prevented from validating the proposed AQ or submitting an AQ amendment for any Supply point that has been in our portfolio for less than 6 months. This information will also facilitate the resolution of USRVs, as if the USRV had been created by a historical change to meter asset details by a previous Shipper EDF Energy is currently unable to access this information and correct it. Finally we believe that this proposal will help to improve our data cleansing and exercises that EDF Energy currently undertakes.

We understand that for the first year when this report is produced for a Shipper it will provide historical information for all Supply Points that are currently within that Shippers portfolio going back 3 years. Subsequent reports will contain information on all new Supply points that have entered the Shippers portfolio going back 3 years, and any new information that the Shipper has updated to xoserve that have not been included on previous reports. We believe that access to this information will aid our processes as identified above.

In relation to the Modification Proposal EDF Energy would make the following specific comments:

2. User Pays

EDF Energy notes that currently there are two definitions of a User pays service – one employed by National Grid Gas (NGG) and one employed by the Gas Distribution Networks (GDNs). EDF Energy believes that this proposal meets both definitions and so agrees with the proposer that this is a User pays Modification Proposal.

We do note that it is not 100% clear how the development costs will be attributed to Shippers. We understand that development costs will be attributed to Shippers based on their registered Supply Meter Points at the date of implementation of this proposal. However we believe that this is an appropriate funding mechanism as all Shippers will be able to access this report and the benefit of the report will be proportional to the size of the Shipper portfolio.

To aid development of the associated ACS EDF Energy can confirm that at this stage we envisage ordering a total of 1 annual report for each of our Shipper Licences. We would note that this should be viewed as an indicative level of demand and should not be construed as confirmation for an order for this service.

3. 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) and (b), the efficient discharge of the licensee's obligations under this licence;

EDF Energy notes that all of the Gas Transporters (GTs) have a Licence Condition to develop a charging methodology that is cost reflective – Standard Licence Condition A5.5. The charging methodology currently employed by the Gas Distribution Networks (GDNs) recovers 96.5% of revenues from a capacity charge. Currently capacity charges are levied on the registered SOQ, which is derived from the AQ. Implementation of this proposal, will benefit Shippers by helping to ensure that an accurate AQ is registered to the Supply Point. This in turn will result in a more accurate SOQ and so more accurate charges. Therefore implementation of this proposal will help to facilitate Standard licence Condition A5.5 of the GT Licences and so further this relevant objective.

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;

As previously noted EDF Energy believes that this proposal will prove to be beneficial to improving the quality of data on the Transporters systems as Shippers will be able to identify any historical errors/discrepancies in this data and correct it. Data quality causes numerous issues to Shippers and Transporters and so improving data quality should improve the administration of the UNC.

Further UNC TPD G1.6.6 places a requirement on Shippers to ensure that an accurate AQ is registered. Implementation of this proposal will help to ensure that an accurate AQ is registered by increasing the data that is available to Shippers and so facilitate UNC TPD G1.6.6.

**8. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk
Administrative and operational implications (including impact upon manual processes and procedures)**

EDF Energy currently envisages that whilst we would take this service, we would have to access this in a manual process. This is driven by a significant IT change that EDF Energy is currently undertaking. We therefore expect that there will be costs associated with making this report available for manual processes which will have an administrative and operational impact. At this

stage we can not identify what the costs of this will be, however we believe that these will be outweighed by a reduction in costs associated with undertaking an AQ review, the ability to register an accurate AQ and the ability to validate our mod 640 invoices.

Development and capital cost and operating cost implications

As previously noted EDF Energy does not expect to incur any development, or capital costs associated with implementation of this proposal at this stage as we do not intend to develop a systematised solution. We expect to incur some operational costs; however we believe that these will be outweighed by the benefits of having this information available to us.

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

The AQ impacts different market sectors in different manners. For LSPs the AQ is primarily utilised for deriving an SOQ which is used for transportation charging purposes. More accurate AQs and SOQs should benefit consumers at LSP sites by ensuring that their transportation element of their energy bills is more cost reflective. This will be particularly significant for LSP consumers on a transportation charge pass through contract. For SSP consumers the AQ has more significant consequences as it used for the allocation of energy and transportation charging purposes. Therefore a more accurate AQ should result in the more accurate allocation of energy and transportation charges benefitting consumers.

I hope you find these comments useful, however please contact my colleague Stefan Leedham (Stefan.leedham@edfenergy.com, 020 3126 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