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Dear Julian

Response to UNC Modification Proposal 0102 “Removal of Failure Notices in Respect of Energy Balancing Credit”

EDF Energy welcomes the opportunity to respond to this proposal and offer our full support for its implementation. We believe that implementation of this proposal will overcome some of the failings of the UNC that were identified in the Winter of 2005/06, and reduce the time lapse between the issuing of Failure Notices and the issuing of Termination Notices.

We believe that the suggested revisions to the legal text will ensure that impacted Shippers will have sufficient time to respond to these invoice notices, whilst providing additional confidence to the market that Energy Balancing Risks will be reduced. We further note that implementation of this Proposal will provide an additional incentive to Shippers to respond to the Invoice Notices when they are issued.

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

EDF Energy believes that implementation of this modification will ensure that best practice and robust procedures are in place, minimising the risk that shippers, and ultimately consumers, are exposed to. We concur with the Proposer that implementation will better facilitate Standard Special Condition A11.1 (a).

Yours sincerely

Stefan

Stefan Leedham
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