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Dear Julian

EDF Energy Response to UNC Modification 0105 “Commercial Arrangements for Combined DN Exit/Entry Points”.

EDF Energy welcomes the opportunity to respond to this modification proposal and offer our full support to its implementation. We believe that this is a relatively simple, straight forward proposal to remove some of the bureaucratic red tape that might otherwise impact on the “connection” of the Holford Storage site to the North West Gas Distribution Network (GDN). We further note that this proposal appears to closely align with the principles of better regulation.

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

EDF Energy agrees with the Proposer that implementation of this proposal will provide an additional balancing tool to the market, by providing a route to deliver gas to the GDN at times of high demand and so reduce the demand that the GDN may place on the Total System through a substitution effect. We are of the opinion that the provision of this additional balancing tool at marginal cost would therefore achieve the relevant objectives of Standard Special Conditions A11.1 (a) – the efficient and economic operation of the pipeline system - and (d) – securing competition between relevant shippers and suppliers - of a gas transporter’s licence.

The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation.

EDF Energy believes that implementation of this proposal will have a positive impact on security of supply by removing a barrier to entry that will encourage the delivery of gas to the Total System at times of high demand, and by providing an additional balancing tool to the market.

For clarity we have been unable to identify any disadvantages of implementing these proposals.

Yours sincerely

Stefan Leedham

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