



Julian Majdanski
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Dear Julian

Clarificatory Note on UNC Modification Proposal 0117 “Amendment to Invoice Billing Period”

Further to the discussions that have taken place at the Transmission Workstream on 5th October 2006, and on going discussions that EDF Energy has had with various market participants we would like to issue this note to clarify what we envisaged our modification would and would not impact. For clarity we believe that UNC Modification proposal 0117 should impact equally on all invoices that may be issued, both credits and debits, including any reconciliation invoices and any ad-hoc financial adjustments that may occur. We believe that this will provide equitable treatment to all UNC parties.

It has further been noted that the proposal, if implemented, may potentially allow shippers to abuse the query processes and reconciliation suppression processes to limit the scale of any debits that they may be liable for. For instance, a period of dispute will not decrease the two year period for which an invoice could be raised. This was not the intent of this proposal, and we would hope to ensure that the legal text was developed to overcome these issues. In particular we are proposing that a reconciliation suppression notice will act as a “marker” for an invoice, and that an invoice will not be issued for a period of greater than 2 years prior to this “marker”. We believe that this will maintain the incentive for Transporters and Users to ensure that their meters are accurate, whilst ensuring that Shippers do not abuse the current processes set down in the code. We would further expect the legal text to ensure that once an invoice has been issued; raising an invoice query will not change the time period of the invoice.

We hope that this has provided sufficient clarification on the intentions and purposes of this proposal, however if there are any further questions or comments we would be happy to answer these.

Yours sincerely

A handwritten signature in black ink that reads "Stefan Leedham".

Stefan Leedham
Gas Market Analyst
Energy Market Strategy, Energy Branch