

Julian Majdanski
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Dear Julian

EDF Energy Response to UNC Modification 0134 “Publication of Nodal NTS Demand Forecasts”.

EDF Energy welcomes the opportunity to respond to this consultation, and support its implementation.

EDF Energy has long supported the implementation of the Transportation Model through the Gas Transmission Charging Methodology Forum (TCMF) on the grounds that it can be repeated thereby making the process of understanding and predicting system transportation costs more transparent – something which is of paramount importance for Shipper and Supply businesses. We believe that this modification proposal will not only be beneficial in supporting the Transportation model, but that it will also resolve some of the asymmetry that exists by ensuring that a similar level of transparency is available on the demand side as is currently available on the entry side.

EDF Energy is aware that some issues have been raised with the release of commercially sensitive information to the industry through this proposal; however we would note that this information is limited to a three year window, thereby reducing the impact that this proposal would have. We would further note that a similar granularity of information is published to support the electricity DCLF ICRP model out to ten years ahead which has resulted in spurious information being provided to National Grid Electricity (NGE) through the Seven Year Statement consultation that then works its way through to the DCLF ICRP model. Whilst we believe that limiting this data release to a three year window will overcome this perverse incentive, it is clear from the electricity model that one of its strengths is our ability to replace the data with our view of the most likely developments on the system. Whilst we do not believe that this proposal will have a similar impact we would note that this is an issue that the industry has been able to overcome in relation to the electricity model.

EDF Energy is however concerned that the legal text appears to suggest that NGG does not necessarily have to update the information once published within the Ten Year Statement. It would appear that if NGG update the information that they use within the Transportation model throughout the year, then it would be reasonable that they should also make this information available to Users. This would ensure that Users are able to replicate the model that NGG is using and so develop similar exit capacity charging forecasts. We recognise that the ability to update this data other than through the publication of the Ten Year Statement is available through the wording of the legal text, however it is not clear that this will be done when NGG updates their internal data.

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

SSC A11.1 (a): the efficient and economic operation of the NS Pipeline system: We concur with the Proposer that this modification will facilitate the efficient and economic operation of the pipeline system as Users will be able to make better informed decisions. We would further note that the model would provide locational signals to Users as to where to site demand and land supplies if they have some optionality on these issues. This would also be beneficial to the efficient and economic operation of the pipeline system.



SSC A11.1 (d): the securing of effective competition between relevant gas Shippers: We believe that improving the transparency behind the capacity charge setting process will be beneficial to competition between gas Shippers as they will be able to predict likely future charges.

I hope you find these comments useful, and please contact me should you wish to discuss these comments further.

Yours sincerely

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

Stefan Leedham
Gas Market Analyst
Energy Regulation, Energy Branch.