



Tim Davis
Joint Office of Gas Transporters
31 Homer Road
Solihull
West Midlands
B91 3LT

15 January 2008

Dear Tim

EDF Energy Response to UNC Modification Proposal 0172: “Transporter Obligations Pertaining to Void and Vacant Sites”.

EDF Energy welcomes the opportunity to respond to this modification proposal. We support the implementation of this proposal.

Whilst we recognise that the “Dead Portfolio” Report provided by Transporters may go some to helping Shippers ensure that they remove themselves from isolated sites, we remain concerned that certain Gas Transporters have indicated that they do not have systems in place to inform xoserve when they carry out an emergency disconnection. Implementation of this proposal would require GTs to have internal processes and procedures in place to inform Users of emergency disconnections, and should also ensure that the GTs pass this information on to xoserve. This will allow Shippers to withdraw from disconnected sites and so ensure that their charges reflect the costs that they impose on the system.

Without the implementation of this proposal there is a risk that Shippers will remain registered to a disconnected site as they have not been informed of the disconnection, and so continue to pay capacity charges for this. This would appear to be neither cost reflective nor beneficial to competition between Shippers.

In addition to those points raised in the modification proposal, EDF Energy would make the additional comments:

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

Standard Special Conditional 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.

Implementation of this proposal will help to ensure that Shippers are able to withdraw themselves from disconnected sites and so avoid the associated capacity charges for a site that is physically incapable of consuming gas. This will ensure that the charges imposed on Shippers reflect the costs that they impose on the system and so help the GTs discharge their licence obligation to ensure that their charges are cost reflective.

Standard Special Condition A11.1 (d): so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i) between relevant Shippers; (ii) between relevant suppliers; and/or (iii) between DN Operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant Shippers.

As identified by the Proposer better cost allocation by ensuring Shippers are informed of isolated MPRNs will be beneficial to competition.

10. Advantages:

- Beneficial to competition as costs targeted at Shippers more accurately.
- Ensures charges imposed on Shippers reflect the costs imposed on the system.
- Helps to ensure that the sites and meter database is updated following an emergency disconnection.

Disadvantages

- Imposes additional costs and obligations on Transporters who do not have internal systems in place to notify xoserve of emergency disconnections.

I hope you find these comments useful, however please contact me should you wish to discuss these in greater detail.

Yours sincerely

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

Stefan Leedham
Gas Market Analyst
Energy Regulation, Energy Branch