

Julian Majdanski
UNC Panel Secretary
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Dear Julian

EDF Energy Response to UNC Modification Proposals 0202: “Improvement to More Frequent Reading Provisions to allow benefits of AMR.”

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0202.

This proposal would allow Shippers with AMR technology fitted at Small Supply Points (SSPs) to nominate these sites as monthly read supply points. It is our understanding that the UNC provisions relevant to monthly read meters will apply to these sites and so they will count towards the 90% target for monthly meter reads and require a read to be submitted at least every 4 months. In addition this would also create the opportunity for Shippers to submit meter reads once every seven days if desired. Whilst this will not impact directly on the reconciliation of these sites, who will continue to be reconciled by difference, we would note that the effect of this proposal makes it more likely that two meter reads will be present that are 12 months apart. This should ensure that a more accurate AQ is allocated to these sites which will ensure that costs are accurately targeted, be beneficial to the system and help to ensure the efficient and economic operation of the pipeline system.

We would however like to take this opportunity to note that whilst this modification proposal is an improvement on the current arrangements, it does not represent the best or most enduring solution. In particular we would note that the energy white paper is likely to require the roll out of smart meters to certain consumers dependant on their consumption. In addition energy suppliers are encouraging their customers to reduce their energy consumption to meet their own corporate climate change commitments. One way of encouraging consumers to reduce energy consumption would be through the roll out of smart meters combined with visual display units (VDUs). Given the large amount of data that would be available from these meters it would appear perverse were this information not available to GDNs to help develop more accurate profiles and Aqs. EDF Energy therefore believes that in the future there may be a benefit in xoserve increasing the ability of its systems to accept more meter reads, and the UK Link replacement in 2012 appears a prime opportunity for this.

In relation to the specific points raised in the Draft Modification Report, EDF Energy would make the following comments:

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

Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates:

EDF Energy is aware that customers are actively trying to reduce their energy consumption in response to increasing energy costs and climate commitments, resulting in step changes in consumers' demand patterns. This proposal will result in the submission of more meter reads which should result in a more accurate AQ reflecting actual consumption. This should have a beneficial impact on the economic and efficient operation of the system as GTs will be basing their system requirements on a more accurate reflection of demand rather than an inflated AQ.

It is also worth noting that if this proposal reduces the level of investment required by the GDNs, then this should have a positive environmental impact by avoiding emissions associated with the manufacture of the materials and the avoided investment.

Standard Special Condition 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;

Standard Special Condition A5.5 (a) requires the GTs to develop a charging methodology so that: "compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business". As part of this cost reflective methodology the GDNs all impose different customer charges to Non Daily Metered (NDM) sites consuming between 73,200kWh to 732,000kWh depending on whether they are monthly read supply points, or not. It would appear that although SSP sites with AMR technology installed will be treated the same as monthly read sites they will be charged as SSP sites. It would therefore appear that their charges will not be cost reflective and so the proposal would be seen to not meet this relevant objective.

10. Analysis of any advantages or disadvantages of implementation of the Modification

Proposal

Disadvantages:

- Would require a change to the charging methodology to ensure that charges were cost reflective.

I hope you find these comments useful, however please contact my colleague Stefan Leedham (Stefan.leedham@edfenergy.com, 0203 126 2312) if you wish to discuss this response further.

Yours sincerely



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