

Julian Majdanski  
UNC Panel Secretary  
31 Homer Road  
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West Midlands  
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06 June 2008



Dear Julian

**EDF Energy Response to UNC Modification Proposals 0211: “RbD Audit Governance Arrangements.”**

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0211.

As recognised by both Ofgem and the RbD Audit sub-committee the value of the current RbD audit is limited as it is merely looking to make sure that the RbD “calculation” is performed correctly, and not looking at the quality of the data that enters the audit. We therefore believe that it would be beneficial to suspend the RbD audit to allow the industry to discuss the costs and benefits associated with extending the scope of the audit, and to identify the potential form that this audit would take. Whilst the suspension of this audit may increase the contractual risk to RbD Shippers, we believe that given the clear findings of the previous audits this risk is minor and is mitigated by the fact that the UNC Committee will be able to reinstate the RbD Auditor at any point and instruct him to undertake an RbD audit for the period that it believes is appropriate.

However EDF Energy would seek clarity as to the reasons why this proposal does not fall under the remit of User Pays, a concept introduced by Ofgem as part of the GDPCR and not limited to instances when xoserve’s costs increased. It would appear that implementation of this proposal would reduce the costs borne by the Gas Transporters who previously were responsible for funding the audit, and the User Pays mechanism would appear to be the appropriate tool to return this cost saving to the Shippers whose risk will be increased by this proposal’s implementation. We would assume that as this proposal does not fall within the scope of User Pays; the view of the GTs is that the RbD process is viewed as a core service along with its audit and so should be funded from Transportation charges.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Seb Eyre'.

Dr. Sebastian Eyre  
Energy Regulation, Energy Branch