

Julian Majdanski  
UNC Panel Secretary  
31 Homer Road  
Solihull  
West Midlands  
B91 3LT



09 May 2008

Dear Julian

**EDF Energy Response to UNC Modification Proposals 0212: “Revision of the Rough Storage Connection Agreement.”**

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0212.

As recognised by Centrica Storage Limited (CSL) at Ofgem’s Summer Outlook Report (SOS) Rough currently accounts for approximately 74% of the UK’s current storage space. Therefore any proposal that is likely to have a beneficial impact on the volume of gas in store in Rough is also likely to have a significant, and beneficial, impact on the UK’s security of supply position. This should have a knock on impact on customers who should benefit from lower wholesale prices during the winter due to greater storage stocks.

EDF Energy would however like to take the opportunity to express our disappointment that this type of modification proposal continues to be required after the implementation of 165V. Like CSL we were under the impression that modification proposal 165V would remove the requirement for “housekeeping” mods, unless the registered Users at the impacted meter point objected to the proposed change. It would however appear that proposal 165V’s impact was only limited to measurement rates and not instantaneous flow rates. We therefore believe it would be beneficial to identify what NExA, NEA or SCA changes could be progressed without the requirement for written agreement and so avoid numerous non-contentious housekeeping mods.

In addition to the comments raised in the draft modification report, EDF Energy would make the following observations:

**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 pipeline system to which this licence relates:**

If this extra capacity is available on an interruptible basis without imposing any operational difficulties, then it would appear beneficial to release this capacity. This proposal would therefore ensure that “spare” capacity was not sterilised and so be beneficial to the efficient and economic operation of the pipeline system.

**Standard Special Condition A11.1 (d): so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant Shippers:**

Implementation of this proposal should ensure that there is improved access to the Rough storage facility. As recognised by the proposer access to storage is fundamental to the operation of a competitive market and so implementation of this proposal would be beneficial to competition.

**Standard Special Condition A11.1 (e): so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer security of supply standards... are satisfied as respects the availability of gas to their domestic customers;**

Whilst implementation of this proposal will not provide an additional economic incentive on suppliers to ensure that their security of supply standards for domestic customers are met, this proposal will help Suppliers in meeting this requirement by helping to ensure that storage stocks are full prior to the start of the winter period. In addition additional storage stocks will reduce the likelihood of having a Gas Safety Monitor breach.

**3. The implications of implementing the Modification Proposal on security of supply, operation of the Total system and industry fragmentation.**

Implementation of this proposal should have a beneficial impact on security of supply by helping to ensure that storage stocks are full prior to the start of winter. In addition this will reduce the likelihood of a Gas Safety Monitor Breach and the UK entering a Gas Emergency.

**10. The Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

**Advantages**

- Ensures that unutilised capacity is available to Users with storage in Rough, so ensuring the efficient and economic operation of the pipeline system.
- Beneficial to competition by improving access to the Rough storage facility which accounts for 74% of storage space in the UK.
- Beneficial to security of supply by helping to ensure that storage is full prior to the start of winter.
- Customers should benefit from lower wholesale prices if storage is full than would have been experienced if it was not.

I hope you find these comments useful, however please contact me if you wish to discuss this response further.

Yours sincerely

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

Stefan Leedham  
Gas Market Analyst  
Energy Regulation, Energy Branch