

John Bradley  
UNC Panel Secretary  
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13 October 2008

Dear John

**EDF Energy Response to UNC Modification Proposal 0223: “Provision of day ahead Gas Flow Nomination data at major Aggregated System Entry Points”.**

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0223.

EDF Energy believes that publishing accurate historical data promptly is far better than publishing inaccurate forecast data to the market. However EDF Energy also supports the release of information that is beneficial to the market provided that it does not expose particular participants’ market position, and does not discriminate between certain classes of User. We therefore believes that this proposal is an improvement on the original proposal to only release this information at importation points, even though this was outside of the scope of the Gas Regional Initiative North West (GRI NW) requirements. We believe that this will ensure these importation points are not discriminated against, whilst ensuring the aim of the objectives is met.

However we remain concerned with the approach that this proposal takes to storage points. In particular we would note that for bi-directional ASEPS, NGG will be publishing the net position of their nominations. From this the market will be able to identify whether these points intend to act as a supply or demand at the day ahead stage. Given that NGG is not intending to publish the D-1 18.00 nominations for exit points, this could be viewed as discriminatory. We believe that for bi-directional points it would have been appropriate to only publish their entry nominations, or to publish a zero figure when they were acting as an exit point.

In addition EDF Energy would question the value of publishing this information. Historically EDF Energy has supported all of the modifications that have released information that is of value to the market, including 0006, 0104, 0121 and 0131. However we would note that this proposal only published the D-1 18.00 nominations. We would note that these nominations could be changed during the day. Given that these nominations could change during the day, it is questionable what value they would derive, as Shippers at the ASEPs would still have a right to vary their nominations so that they could utilise their full entry capacity bookings. In addition these nominations are unlikely to represent realistic views of flows through these ASEPs, rather representing expected views at that point of time. For clarity EDF Energy does not believe that Shippers would deliberately submit inaccurate nominations to NGG, but that the information that is available to Shippers at D-1 18.00 is unlikely to be accurate enough to guarantee that these nominations will be realised.

EDF Energy therefore believes that the information and timing of nominations, as published through the BM Reports webpage would be a more appropriate model to adopt. Through this website the Power Market is able to identify almost real time nominations for the settlement period that has just closed. Whilst we recognise that there are material differences in this respect to electricity and gas arrangements, we believe that these reports would represent an appropriate building block for gas. In particular we would note that these reports deliver information that is of value to the market, whilst ensuring that the commercial position of market participants is not revealed.

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 (c): so far as is consistent with sub-paragraphs (a) to (b), the efficient discharge of the licensee's obligations under this licence:**

A primary requirement of all the GT Licences is not to discriminate between market participants. EDF Energy remains to be convinced that this proposal does not discriminate between entry points, bi-directional points and exit points.

**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:**

EDF Energy would note that you can not have a perfectly competitive market without perfect knowledge, although in certain scenarios it is hard to identify the value of the information. We believe that improved transparency should result in better informed energy prices and a more competitive market; however we are to be convinced that D-1 18.00 nominations have a market value. Our preference would be to see information published in as timely a fashion as BM Reports for the Power Market, covering both NTS Entry and Exit points. This would provide timely data that is of value to the market, whilst protecting the commercial positions of individual parties.

**7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk.**

**Administrative and operational implications**

Whilst it is believed that the majority of Shippers will recognise that this information is provisional and unlikely to be reflective of actual flows, EDF Energy is concerned that some Shippers may not recognise this fact. There is therefore a risk that Shippers rely too heavily on this position and therefore make inefficient operational decisions based on this.

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

**Advantages**

- Improved transparency by publishing further information.

**Disadvantages**

- Not clear what market value this information will provide. There is therefore a risk that costs are incurred for publishing information for the sake of publishing the information.

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