



John Bradley  
UNC Panel Secretary  
31 Homer Road  
Solihull  
West Midlands  
B91 3LT

09 December 2008

Dear John

**EDF Energy Response to UNC Modification Proposals 0234: “To Correct Drafting Inconsistencies between Sections X and V of the UNC in Respect of User Default and Termination”.**

EDF Energy welcomes the opportunity to respond to this consultation; we support implementation of modification proposal 0234.

EDF Energy supports the intent of this proposal to allow a Termination Notice to take effect on the start of the Gas Day after the Termination Notice was issued. We believe that this will limit Users’ exposure to any Defaulting User by ensuring that they are terminated in a timely and efficient manner. In addition we believe that it is reasonable to ensure consistency between Section V and Section X of the UNC on these issues.

As a general point EDF Energy would note that following a User Default there is normally a suite of modifications to address elements of the UNC that have not worked as well as the industry would have hoped. In particular it has often been commented that the Credit Rules within the UNC work very well until there is a problem. We would note that historically all cases of User defaults have been caused by unique issues, particular to the circumstances. EDF Energy would therefore question whether more power could be provided to the EBCC to respond to these issues as it sees fit. We recognise that this issue has been discussed historically but concerns have been raised about the liability of EBCC members, however we would request that the EBCC gives further consideration to these arrangements with a view to introducing a mechanism whilst addressing the issue of liability. In particular we believe that the following issues merit further consideration:

- The development of predefined actions that can be instigated depending on the circumstances specific to the event.
- The appointment of a 3<sup>rd</sup> party to confirm that the actions proposed by the EBCC are suitable in the circumstances – this could be in the form of an independent credit expert, or NGG or xoserve, who would have the ability to veto any proposed actions if they were deemed to be inappropriate.
- The introduction of a mechanism to limit the liability of EBCC members and any 3<sup>rd</sup> party – this could be funded by the industry.

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