

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



11 September 2009

Dear John

EDF Energy Response to UNC Modification Proposal 0262: “Treatment of Capacity Affected by Force Majeure”.

EDF Energy welcomes the opportunity to respond to the UNC Modification Proposal. We support implementation of Modification Proposal 0262.

Under the current arrangements if National Grid Gas (NGG) declares force majeure on any entry capacity then Shippers are still obliged to pay for this capacity even if they are unable to access this capacity. This proposal seeks to rectify this so that Shippers are no longer liable for the capacity. We believe that this will be beneficial to ensure that costs are targeted at those who are incurring them on the system and so also be beneficial to competition.

EDF Energy also welcomes the publication of suggested legal text to help aid the consultation process. We believe that in this instance production of the legal text has proven beneficial to identify exactly how the proposal will be implemented into the UNC. However we would like to express our concern with the increasingly common practice of producing legal text within the consultation period. In general EDF Energy believes that UNC Modification proposals should be sufficiently clear and developed so that they do not require legal text to provide clarification. However there are circumstances, such as this, where the proposal is sufficiently clear, but it is beneficial to have sight of the legal text so that Shippers and other responders can identify how this proposal will be implemented into the UNC. In these circumstances the legal text should be available for the entire period of the consultation rather than for the final week. Whilst we recognise that most responses are only submitted in the final minutes, or later, of the consultation period, we would note that for EDF Energy this is to facilitate our internal processes. EDF Energy therefore believes that the processes and arrangements within the UNC have been developed to accommodate the processes of Shippers. We believe that these processes should be followed and where required legal text should be available for the entire consultation period.

In relation to the particular comments raised in the modification proposal EDF Energy would make the following comments:

3. 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) and (b), the efficient discharge of the licensee’s obligations under this licence;

Standard Special Condition (SSC) A5.5 requires the Transporters to develop a charging methodology that ensures that charges are developed that reflect the costs incurred.

However whilst the NTS develops the charges, it is the UNC that calculates how they are

applied. It would appear that entry capacity which has had force majeure declared upon it is not placing any costs on the system and so the charges should be zero. This modification proposal helps to facilitate this and so also SSC A5.5.

I hope you find these comments useful, however please contact my colleague Stefan Leedham (Stefan.leedham@edfenergy.com, 020 3126 2312) should you wish to discuss these in further detail.

Yours sincerely

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

Dr. Sebastian Eyre
Energy Regulation, Energy Branch