

Dora Ianora
Industry Codes and Licensing Manager
Ofgem
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7 September 2012

Dear Dora,

“Minded to” Consultation on Ofgem’s licensing policy for Gas Traders and consequential acceptance of the related Uniform Network Code (‘UNC’) modification proposal 338V


Thank you for the opportunity to provide comments on your ‘minded to’ position in respect of the above.

EDF Energy continues to support the participation of non-physical players in the energy markets and believe that any inappropriate regulatory requirements currently placed on such parties should be removed in order to reduce any potential barriers to entry. Consequently, we do not believe it is appropriate for non-physical trading parties to continue to need to acquire a gas shipper licence in order to be able to access the necessary market systems, and trading platforms within the gas market. It is inappropriate for an entity to obtain a gas shipper licence even though it has no intention of carrying out the authorised licensed activity, i.e. arranging the physical conveyance of gas from one point to another.

In light of the above, we therefore support Ofgem’s ‘minded to’ position in both terms of its licensing policy for Gas Traders and the consequential related UNC modification. We also support the proposed changes to Ofgem’s Licensing Guidance as described in Annex 2 of the consultation paper. However, we do acknowledge, and support Ofgem’s continued monitoring of the regulation of gas traders, in order to ensure that no regulatory gaps or double regulation arise out of the development of EU and Domestic legislation.

Should you wish to discuss any of the issues raised in our response or have any queries, please do not hesitate to contact me.

Yours sincerely,



Mark Cox
Head of Transmission & Trading Arrangements