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Dear Steve

Supply Licence Review: Consequential modification to special standard condition A11 (Network Code and Uniform Network Code) of the NTS and DN licences and standard condition 9 (Network Code) of the Gas Transporters Licence

EDF Energy welcomes the opportunity to respond to this consultation in relation to changes to the Gas Supply Licence.

We tend to agree with Ofgem that paragraphs 3 to 6 of the gas supply licence do not have much effect so long as these obligations are discharged by being signed up to the relevant transporter's Network Codes. However, we fail to note what difference transferring these security of supply obligations from the gas supply licence into SSC A11 of the NTS and DN Gas Transporters licence will make as they have not ultimately changed, unless its for better house keeping of the Suppliers licence, something which we would support.

We note that the DTI is currently reviewing gas security of supply arrangements and will be publishing its conclusions in the forthcoming Energy White Paper, as Ofgem duly notes, and we therefore believe this modification being proposed is ill-timed as it may pre-empt the DTI's consultations and Energy White Paper.

We have read NGG's response to Ofgem's December consultation on the same topic and share their concerns that removal of this LC is premature due to the unfinished security of supply DTI work as it serves as a reminder to suppliers of their responsibilities to domestic customers. However, we do not agree that the supply obligations be extended to cover DM's and CCGTs - this should be a commercial choice to have back up supplies or generation in place if the larger customers value such optionality or supply security. NGG's linkage of this to the storage monitor levels would imply a security of supply standard that only strategic storage could satisfy, a matter which the industry is currently undecided on.

In summary, we are not opposed to this modification change so long as the intention is to simply tidy up and reduce the amount of supply licence conditions. However, the timing of this modification before the DTI has concluded its security of supply work may mean it is sensible to delay any decision on transferring paragraphs 3 to 6 of SLC 32a until the DTI has presented its conclusions and decision on whether to redefine the Domestic Security of supply standards.

I hope you find these comments useful, and please contact me should you wish to discuss these comments further.

Yours sincerely

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