

Hannah Nixon
Acting Senior Partner
Smarter Grids and Governance: Transmission
Ofgem
9 Millbank
London
SW1P 3GE

10 October 2011

Dear Hannah

Section 23 notice of modification to National Grid Gas' (NGG's) gas transporter licence.

EDF Energy is one of the UK's largest energy companies. We provide 50% of the UK's low carbon generation. Our interests include nuclear, coal and gas-fired electricity generation, renewables, combined heat and power plants, gas storage and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including both residential and business users.

We welcome the opportunity to respond to this consultation, and fully support the inclusion of this exit point within NGG's licence.

We are developing the Hill Top Farm gas storage facility in the Cheshire area which we expect to go live in 2012. We have already purchased entry capacity at the Hole House Farm Aggregated System entry Point (ASEP) to be able to deliver gas from this storage facility; however, we require an exit point within NGG's Licence in order to be able to book exit capacity for injection into this facility. This proposed change is therefore necessary for the commercial operation of this facility and to allow this extra storage capacity to be brought to market.

We would note that the connection and operation of this facility should help to improve the GB's gas security of supply position as we will be able to inject gas at times of lower demand for supply at times of higher demand. This would also appear to be consistent with the Government's and Ofgem's objectives of connecting more gas storage facilities to improve security of supply in the interest of consumers.

However, we believe that the exit point should be referred to as "Hill Top Farm" and not "Hilltop (Hole House Farm)" for the following reasons. Hole House Farm is a separate storage facility owned and operated by our sister company EDF Trading while Hill Top Farm is owned by EDF Energy. Hill Top Farm also has its own separate physical exit point and meter. Further, this would align with the Third Party Access Exemption Order granted by Ofgem to this facility in the name of Hill Top Farm. We therefore believe that referring to the facility as "Hill Top Farm" would provide consistency with the regulatory orders, and avoid confusion between two separate facilities for those who are not as close to the project as us.

Finally we agree with Ofgem's proposal to classify this exit point as a relevant point for the requirements of Article 18(3) of the Gas Regulation (EC No 715/2009). This would appear to be consistent with Ofgem's previous decisions as to what constitutes a relevant point for the purpose of information provision under the EU Third Energy Package necessary to ensure effective and equal access to natural gas transmission systems. We believe that efficient information provision is a cornerstone for the proper functioning of a competitive market and we support the release of this information.

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

Yours sincerely,

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

Sebastian Eyre
Energy Regulation & Competition Policy Manager