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### **Xoserve – consultation on the legal and regulatory framework to establish new arrangements for the gas central service provider**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We welcome the opportunity to comment on Ofgem's consultation on the legal and regulatory framework to establish new arrangements for the gas central service provider. We support Ofgem's initial views that the Uniform Network Code (UNC) and the extension of the service agreement to shippers would be appropriate to deliver the changes to the legal and regulatory framework of Xoserve. Our comments in response to your questions are as follows:

- The UNC is an appropriate tool to require parties to jointly participate in the governance and funding arrangements. While the UNC is a 'modifiable contract' without the need for agreement from all parties, the process to modify the UNC is understood across industry and proposed changes of a significant nature are signalled in advance and can be subject to industry-wide consultation.
- Amending the service agreement to include shipper is the simplest and most expedient way to obligate Xoserve to deliver services on behalf of and for, shippers as well as Gas Transporters (GTs).
- We are interested in monitoring the development of the workstreams, but based on the scale of the project believe that is a role for a 'project co-ordinator' to ensure these workstreams are progressed.
- We firmly believe that Ofgem should place a delivery licence requirement upon GTs to drive this project forward in order to meet Ofgem's target of 1 April 2015. As owners of Xoserve, GTs are best placed to progress this. Industry parties have a strong interest to be involved in the implementation workstreams to ensure that

the best outcome for industry is reached; therefore will seek to support the development of the new arrangements for Xoserve.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Natasha Ranatunga on 020 3126 2312, or me.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mark Cox".

**Mark Cox**  
**Head of Transmission and Trading Arrangements**  
**Corporate Policy and Regulation**