



Mr Stuart Easterbrook  
Transmission Charging Manager  
Commercial  
National Grid Company plc  
NGT House (Floor 3)  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

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Dear Mr Easterbrook,

## **GB Transmission Charging: Initial Thoughts Consultation**

Thank you for the opportunity to respond on this we have a few comments upon the impact of the proposals on England and Wales Suppliers.

In adopting any methodology the charging disturbance to existing Suppliers and customers under long term contracts should be considered. It appears from the indicative numbers produced for Demand side that charges will materially increase for England and Wales demand. This will have a significant affect on standalone Suppliers especially those based primarily in England and Wales as they will not benefit from any offsetting adjustments in the generation rates or reduced Scottish Demand costs. The ability of Suppliers to absorb the changes in costs will depend upon the margins achieved in the various sectors, it is without doubt that the Suppliers of Industrial and Commercial customers where margins are tighter than those in the domestic sector will be impacted most. The scale of the changes indicated is very material in relation to the margins being achieved in this sector.

One way of addressing this would be to consider the relationship between the ratio of cost recovery from Generators and Suppliers, moving towards a more widely accepted 50:50 split may reduce the impact to acceptable levels.

We are also concerned as to the impact of BSUoS charging on a GB basis and whether this would have a material change on the current levels of BSUoS payments. Again anything that materially changes costs from current levels needs to have its impact upon the competitive supply market assessed.

Regards

Keith Munday  
**Commercial Director**

