

## **BOC GASES RESPONSE TO NGC CONSULTATION ON GB TRANSMISSION CHARGING: INITIAL THOUGHTS**

BOC has reviewed the NGC documents dated 16 December 2003 and 27 January 2004. BOC's comments are as follows:-

1. BOC has no difficulty in accepting the broad concept of using the present England and Wales charging principles provided this is done in a sensible and pragmatic manner.
2. BOC has great concern about the indicative TNUoS prices which have been produced using the scenarios.
3. First, generator prices in Scotland seem very high and as BETTA is meant to encourage competition across the whole of Britain this seems to be giving the wrong message to Scottish generators.
4. Secondly, the HH demand charges also appear to be much higher than the recently published NGC 2004/5 charges. According to BOC's calculation comparing Scottish Power 2003/04 and NGC 2004/5 with GB base BOC charges would go up by double figures.
5. If charges such as these were imposed coming on top of the almost doubling of TUNoS demand charges due to the implementation of the PLUGS modification further increases would be most unwelcome.
6. BOC accepts that PLUGS should result in lower DUOS charges though it is yet to be seen if these will be equal to the TNUoS increases.
7. BOC is uncertain how such charges would fit with NGC's maximum allowed income.

Hugh Mortimer, 5 February 2004