

From: Robertson, Jim A (UK) [jrobertson@uk.terrainindustries.com]
Sent: 06 October 2003 11:07
To: Thomason, Alex
Subject: Response to Consultations

Terra Nitrogen (U.K.) Limited is a large consumer of electricity (approx. 600,000 MWh) at sites in the North of England and the South West of England. We wish to respond to your consultations CCM-M-07, UoSCM-M-10, UoSCM-M-11. We are opposed to all three of the proposed changes on the following grounds.

1) We see absolutely no benefit from the proposed changes in facilitating effective competition in the generation and supply of electricity or in the sale, distribution or purchase of electricity. 2) The case is not at all clear that the proposed changes reflect costs incurred by the National Grid's Transmission business. 3) There appears to be no need whatsoever for these changes.

We also comment that the presentation of the proposed changes by National Grid has made clear the enormous unnecessary complexity which has and continues to be introduced to a relatively straightforward activity i.e. transmission of electricity. The proposals are so complex that it has become impossible for even moderately large consumers of electricity to understand the detail and to unravel the implications and effects of change.

In CCM-M-07 it is not at all clear that the increase in TNUoS costs will be balanced by the same reduction in Connection Charges. The consumer is likely to be faced with an increase in cost. As a manufacturing company we see no reason for a 33% increase in charges. This will simply serve to make our UK operations less competitive when judged on a global setting. The sales prices of our products are determined by world markets and we cannot pass through these cost increase. We have estimated the cost to our company as £110,000 per annum.

On CCM-M-10 the proposed 502% cost increase in the Northern Zone is completely unacceptable for a region which is a significant exporter of electricity to other regions.

J.A.Robertson
Energy Director