

From: Mortimer, Hugh [Hugh.Mortimer@boc.com]
Sent: 24 May 2004 11:36
To: Easterbrook, Stuart
Cc: David Gray, Ofgem; David Halldearn, Ofgem; Rob Wright, DTI;
andrew.walker@ofgem.gov.uk
Subject: RE: GB Charging Initial Methodologies consultation



Response to GB
Charging Init...

Stuart

Having now reviewed the document I feel that my previous comments in relation to the prior consultation on this subject are still relevant as so I attach them again. These comments relate to level of charges both for generators and for the demand side.

I appreciate that your document says these are illustrative, nevertheless their level is very worrying on from two aspects. First the very high level of entry charge for Scottish Generators is may be a barrier to the increased competition that BETTA is supposed to produce. BETTA is supposed to be about customers. Secondly the demand charges are higher than the present E&W level. BOC as a large and intensive electricity customers is facing very large power cost increases in the coming months and can ill afford higher TNUoS charges.

Finally, I to comment on paragraph 2.4 which suggested that GB demand users should pick up the bill for shortfalls in TNUoS charges which are required to provide some renewable generators with lower charges. BOC believes that electricity customers are already paying large amounts of money in subsidy for renewable generators via the Renewable Obligation and they should not expected to pay further. I realise that this is a point for the DTI and Rob Wright is copied on my message.

I hope you find these comments helpful.

With best wishes

Hugh