

From: Faye Hankin [FayeH@bizzenergy.com]

Sent: 08 September 2006 16:26

To: Maloney, Craig

Subject: Modification Proposal to the TNUoS Charging Methodology for Manifest Data Errors
Dear Craig,

Thank you for the opportunity to respond to this consultation document.

As a stand alone supplier mainly in the SME market our primary concern with TNUoS charges is predictability and stability. Most of our sales are made on 2 or 3 year fixed price contracts. In our sector of the market customers will not accept any sort of pass through arrangement for TNUoS, and therefore prices must be fully inclusive.

We accept that at the time of the regulatory review there may be step changes, but in the intervening period we hope that prices will follow the regulatory RPI formula as closely as possible as that is the basis on which we predict the price change forecasts incorporated into our retail tariffs.

If there has been an error in the calculations we accept that it must be corrected, but we would ask for these corrections to be carried out with the minimum disruption to year on year charges, especially as National Grid total income is unaffected by either the error or the subsequent correction.

We support, therefore, a de-minimus figure below which no change would take place and we have no issue with the £1/kW referred to in your paper.

If the figure is above that level we strongly oppose any change to the current year prices. We would like to see the reconciliation period to be as long as possible, in our view the following 2 years should be the minimum period considered.

Regards,

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