

Gascoigne, Jan

From: Goldring, Simon [Simon.Goldring@centrica.co.uk]
Sent: 15 December 2006 15:06
To: Harrison, Dominic J
Subject: Re: Consultation NTS GCM 02

Dear Dominic,

Re: NTS Pricing Consultation Paper GCM02 - DN Pensions Deficit Charges

Thank you for the opportunity to comment on the above referenced proposal. In responding to this document British Gas Trading Ltd (BGT) are not commenting on the appropriateness of the size and/or, recovery targets for the DN Pensions deficit as identified during the current Price Control Review consultations. We also assume that the DNs will be similarly consulting on their proposals to manage the charge.

Our comments are as follows:

- there seems to be some confusion as to the scale of the charge being apportioned between DNOs and NTS users. On the basis of the 14% target we assume this to be £3.85m pa. Please clarify the numbers in the documentation.
- the proposal appears to imply equal phasing across the formula year for NTS Users. We also note the intention for the first year to commence recovery from the date of implementation of the TPCR (allowing for proper notice of charges etc.) As this charge is essentially known we would prefer to see this automatically included in the changes notified for 1st April 2007, and if any changes subsequently are required due to changes in the outcome of the TPCR these can be handled in a future year adjustment. We would see this as a more equitable outcome.

Should you wish to discuss any of these comment further please do not hesitate to contact me.

Regards

Simon Goldring

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