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Dear Richard

**GB Transmission Charging: Use of System Charging Methodology  
Revised Proposals Consultation**

Thank you for the opportunity to respond to this consultation. We strongly support the use of cost reflective charging methodologies and are pleased that Ofgem have also recognised its importance in their support of your Option B.

We are however disappointed to see that they are moving away from this principle by requiring National Grid to retain the current 73:27 revenue recovery split between demand and generation. The fact that this then requires a mechanism to counteract negative demand charges confirms the unsuitability of this position.

We accept that it is unlikely that Ofgem will change their decision on the split and would therefore like to voice our support for your proposal of a longer term solution as contained on page 10 of the consultation document. Your example – with 5% phasing adopted each year (7% in the first year), eventually giving the 10:90 split in 2008/09 – seems suitable and pragmatic.

This will protect short-term consumer interests and eventually lead to a cost reflective solution that provides appropriate signals to the industry. Furthermore we believe that this longer term solution should be specifically included within the revised proposals you put forward to Ofgem.

I hope our comments have been helpful, should you require any further I can be contacted on 020 8804 4646.

Yours sincerely

Christopher Ford  
General Manager  
Enfield Energy Centre Limited