

These comments are in response to the Ofgem consultation 'The proposed transmission charging methodologies of the GB system operator' (241/04).

EIUG accepts the case for extending the charging methodology in England and Wales to the GB market so that the objective of BETTA can be met.

EIUG has grave concerns about NGT's proposed charging methodologies. Consumers will be faced with the certainty of a massive increase in their transmission charges under both their scenarios, but especially under scenario B, assuming indicative demand TNUoS prices are broadly correct. EIUG questions the assumption that there would be a corresponding reduction in wholesale prices that fully reflects the decrease in costs falling on generators. Consequently, in our view, there is a risk - perhaps a likelihood - that consumers will be significantly worse off if these proposals go ahead. EIUG therefore urges Ofgem to reject NGT's proposed charging methodologies and to ask them to turn their attention to alternatives that do not risk disadvantaging consumers.