

Craig Maloney
Electricity Charging & Access Development
National Grid Electricity Transmission plc
National Grid House
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5th September 2006

Dear Craig

British Energy response to consultation document GB ECM-05 proposal to the Use of System charging methodology to cater for manifest errors in the calculation of TNUoS tariffs.

This response is made by British Energy Group plc. British Energy is the UK's largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power Station (a large coal plant with two units fitted with FGD) and four small embedded gas generator sites. British Energy is also a large supplier selling exclusively to Industrial and Commercial customers. British Energy Direct accounts for around 30TWh of the UK supply. British Energy welcomes the opportunity to respond to the above consultation.

Key Points:

- **We welcome the proposals to introduce a mechanism for reconciliation of manifest errors. This will better enable the costs incurred by the transmission licensees to be reflected accurately amongst the Users.**
- **The definition of a manifest error should be those areas that National Grid and the transmission licensees have responsibility for with respect to inputs and functions of the Transport and Tariff models.**
- **We agree with the proposed criteria used to define the materiality of a manifest error. It ensures that no classes of Users are discriminated against.**
- **We agree that the period a manifest error is eligible for reconciliation should be limited to the charging year in which it occurs.**
- **The method of post-year reconciliation using the current TNUoS reconciliation mechanisms used for generation and demand seems the most appropriate way forward.**

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We note that in the Cruachan case, National Grid is proposing to reconcile Users 2005/06 TNUoS charges in the form of a one-off payment. We would like to know what materiality the Cruachan reconciliation will have on other Users. Also, it would be useful to know the visibility of this reconciliation. Will it take the form of a separate invoice or an addition to the total bill?

I trust this response is helpful but please feel free to contact me directly should you need clarification on any of the points made.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Louise Allport', is positioned to the left of a vertical red line.

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