

Mr Grant McEachran
Office of Gas & Electricity Markets
9 Millbank
London
SW1P 3GE

Wales & West House
Spooner Close
Celtic Springs
Coedkernew
Newport NP10 8FZ
T. 029 2027 8500
F. 0870 1450076
www.wwutilities.co.uk

Tŷ Wales & West
Spooner Close
Celtic Springs
Coedcernyw
Casnewydd NP10 8FZ

30 June 2006

Dear Grant

Proposal to modify Standard Licence Conditions C5 (“Use of system charging methodology”) and C6 (“Connection charging methodology) of the electricity transmission licence and Standard Special Condition A5 (“Obligations as regard charging methodology”) of the gas transporters licence

I am writing further to the proposal issued on 31 May 2006 to modify the above licence conditions to enable Ofgem to have 3 months, instead of 28 days, to issue a direction in respect of changes to the charging methodology. I am responding on behalf of Wales & West Utilities Ltd, the holder of a gas transporters licence.

We are opposed to this proposal for two main reasons:-

- Under Standard Special Condition A4 we currently have to provide 150 days notice of any changes to transportation charges methodology. The current requirements in Standard Special Condition A5 already mean that we have to issue any changes to the methodology to Ofgem at the beginning of April at the very latest in order to allow Ofgem 28 days to review. Should Standard Special Condition A5 be modified to allow Ofgem the possibility of taking 3 months to consider any changes to the methodology, we would need to issue any changes to Ofgem in January, some 9 months before the charges actually come into force. This would impose an additional burden for which we can see little or no value will be added to intended users.
- We do not think it appropriate for licence modifications to become in effect the equivalent of enabling legislation, in other words to provide discretionary powers to change licence conditions at a future date. We believe that for regulatory certainty it is important that there is clarity at all times regarding licence conditions and therefore we do not advocate such changes to the licence.

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro



We therefore do not wish to see this modification progressing any further.

Yours sincerely

Sarah Williams
Regulation Support Manager

Tel: 029 2027 8539
Email: sarah.williams@wwutilities.co.uk