

Ms. Debra Hawkin  
Regulatory Frameworks  
National Grid  
National Grid House  
Gallows Hill  
Warwick  
CV34 6DA

14 September 2009

Dear Debra,

**RE: NTS GCM18: NTS Entry Capacity Retention Charges**

Thank you for the opportunity to comment on the above Charging Methodology consultation. This non-confidential response is sent on behalf of the Centrica Group of companies, excluding Centrica Storage Limited.

We are broadly supportive of the methodology changes proposed by National Grid in the GCM 18 charging methodology consultation, (subject to one comment on the level of the charge, as set out below). However, our recent response to the National Grid substitution methodology consultation set out a large number of reasons why Centrica does not believe that the proposed "retainer" approach to substitution is either appropriate or sufficiently developed. This response to the GCM 18 consultation should therefore not be taken as an indication that we support the introduction of capacity substitution in its currently proposed form, but rather that if substitution were to be introduced in the form proposed, this charging methodology appears appropriate.

The main issue we have with the GCM 18 consultation is around the level of proposed charge. According to our calculations, since two out of every 8 years until 2100 will be leap years, the proposed charge level of 0.2920p/kWh for 32 quarters will return less than the minimum allowable figure of 0.0001p/kWh/day. To equal that figure, we believe that the charge rate would need to be set at 0.2922p/kWh for 32 quarters.

Please don't hesitate to contact me if you wish to discuss this response.

Yours sincerely,

Chris Wright  
**Commercial Manager**