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Thursday, 03 July 2008

Mr Sam Cope Offshore Transmission Team Ofgem 9 Millbank London SW1P 3GE

By E-mail: sam.cope@ofgem.gov.uk and offshoretransmission@ofgem.gov.uk

Dear Sam,

Re: Offshore Electricity Transmission – Centrica's initial response.

Thank you for the Offshore Electricity Transmission Joint Ofgem / BERR Regulatory Policy Update document and the opportunity to respond to the consultation. This non confidential initial response is on behalf of the Centrica group of companies excluding Centrica Storage Ltd.

We note your request for any material comments by the 4th of July 2008, with a full response by the 25th. As both an Offshore Wind Developer and a UK Energy business with upstream, midstream and downstream interests this consultation is extremely important to our future business plans. Due to the importance (and extensive nature) of this consultation Centrica will need to review, in detail, all aspects and gather information from a number of critical internal parties, to understand fully the impacts on our business.

On this basis we are, unfortunately, unable to provide a material response by the 4th July. We have contributed to a number of trade body letters on "material issues" and are in support of a number of the points raised, but we feel it is inappropriate to provide a rushed response on the 4th whilst our internal evaluation process is incomplete.

For clarity, from our initial evaluation, we do believe that there are material issues with the consultation which will need to be addressed, and that these include some of the issues raised by the trade bodies referenced above. The fact that we have not submitted an interim response at this stage should not detract from these concerns, which we will set out fully in our response for the 25th July deadline.

Yours sincerely,

By e-mail

Alison Russell Senior Regulation Manager Upstream Energy