

## **BOC GASES (BOC) RESPONSE TO BOC GASES RESPONSE TO DISTRIBUTION PRICE CONTROL REVIEW POLICY DOCUMENT MARCH 2004**

### **1 GENERAL REMARKS**

BOC is a large electricity customer using nearly 2TerraWatt hours of electricity in a highly energy intensive process. BOC is therefore very concerned to see that monopoly services are provided at the lowest possible cost consistent with a good quality and reliable service provision.

BOC welcomes the opportunity to contribute to the consultation.

BOC is glad to see the through approach that Ofgem is taking to this review.

### **2 SPECIFIC RESPONSES PER CHAPTER NOTATION**

#### **3.14 PRICE INDEX**

BOC would support the adoption of CPI

#### **3.30 EHV CHARGES**

BOC continues to believe that EHV charges should cease to be treated as excluded revenue and be regulated by Ofgem and welcomes Ofgem's proposal to include them.

BOC would be happy to contribute to the work to develop an appropriate revenue driver for EHV within the distributed revenue driver.

BOC believe that it essential that EHV customers retain the right to have their charges determined by Ofgem. It would be better if customers had a legal right to do so directly rather than via their supplier as although the supplier is party to the use of system charge these charges are generally on a pass through basis. Therefore the supplier has little or no interest in controlling them or otherwise looking after his customers' interests.

It would be helpful if the customers had the right to negotiate a combined use of system and connection agreement with the DNO. The customer and DNO are likely to be have an enduring relationship whereas the supplier may be more transitory.

#### **Quality of service and other outputs**

BOC believes that business customers with a demand of 1 MW should be compensated for loss of production caused by power outages and voltage disturbances not caused by abnormally severe weather conditions.

Hugh Mortimer, 5 May 2004