

20th July 2004



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Dear Michael,

Proposals for the Amendment of the Licensing Application Regulations

With reference to the above consultation, British Gas welcomes the review Ofgem has undertaken. It is important to incorporate into the Regulations changes arising from the Energy Bill, in particular those relating to BETTA, and to take the opportunity to align the regulations relating to gas and electricity, as well as clarifying requirements and correcting minor errors. We also welcome Ofgem's monitoring of licence applications to ensure application fees are reflective of actual costs incurred.

We have some very general comments as follows:

Interconnectors

The DTI consultation on Interconnector Licences was published last week and that process may produce further requirements for applicants for these licences.

Offshore wind generation, transmission and distribution

We are still developing our position on offshore licensing for REZs and your consultation recognises that policy has not evolved sufficiently yet to incorporate any changes into these Regulations. We support the flexibility Ofgem is proposing for transmission and distribution licensing.

BETTA

The proposals for applications appear consistent with Ofgem's approach in developing the licensing regime for GB.

Please keep up informed of further developments in your proposals for updating these regulations.

Yours sincerely,

Eugene O'Shea
Regulatory Research Manager

