

7 January 2005

Ms Indra Thillainathan
Senior Analyst
Gas Distribution Regulation
Ofgem
9 Millbank
London

Dear Indra,

RE – CSEP CALCULATION

Thank you for your letter dated 16 December 2004 regarding the calculation of RPC charges when there is more than 1 end user category on a site.

As I indicated in a previous e-mail to you I believe that RPC should operate in accordance with the Transco charging methodology and I therefore support Option 3 as put forward in your letter. This will ensure that implementation and control of RPC charges is more closely aligned, in my opinion, with the intentions of the GT Licence.

Yours sincerely,

Graham Jack
Gas Transportation Manager