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Extending National Grid Electricity Transmission Ltd's Transmission Owner Price Control for 2006/07

The CIA supports the extension to NGET's price control to align the review date with those of other transmission asset owners in both electricity and gas, enabling all transmission issues to be considered together in a single review. We note that Ofgem has adopted a simplified approach in developing these initial proposals, as this is a one-off price control.

CIA agrees that Ofgem's proposal for capital expenditure recognises the importance of load-related expenditure, especially expenditure to ensure that connections to distribution networks are adequate to meet the applicable planning standards.

We support Ofgem proposes that NGET's reported and projected load-related expenditure for the period 2001/02 to 2005/06 be included within the calculation of the RAV with a view to undertaking further analysis during the main price control review.

The CIA is also concerned about the robustness of the evidence provided by NGET in support of its historic and future capital expenditure plans. We support Ofgem's intentions to undertake further detailed analysis of NGET's historic and planned capital expenditure as part of the forthcoming transmission price control review.

We look forward to reviewing the final proposals and hope that the proposed package of measures will protect the interests of industrial consumers whilst providing sufficient revenue to allow NGET to continue to finance its activities

Kind regards,

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