

Lewis Hodgart Gas Distribution Analyst Ofgem 9 Millbank London SWIP 3GE

4 July 2006

Your Ref: RFA/IGT/INTRIM/4

Dear Lewis

Changes to reasonable profit tests applied under SLCs 4 &4A of the GT Licence: consultation letter

energywatch welcomes the opportunity to respond to the issues raised in the letter. This response is non-confidential and we are happy for it to be published on the Ofgem website.

We have considered the issues raised carefully but there are no particular impacts on consumers from the proposed approach which we have identified. Going forward, we will continue to keep these issues under review as and when they are raised, always considering the possible impact on consumers.

We would appreciate being kept informed of the progress of the consultation and any related issues to enable us to comment further as necessary.

If you do wish to discuss our response further please do not hesitate to contact me on 0191 2212072.

Yours sincerely

Carole Pitkeathley Head of Regulatory Affairs

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