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Dear Jonas,

NOTIFICATION OF THE INTENTION TO CHANGE THE ENGLAND AND WALES TRANSMISSION NETWORK USE OF SYSTEM (TNUoS) CHARGES FOR 2005/06

Under the terms of the transitional Electricity Transmission Licence Standard Condition C4A 5(a), National Grid is required to give the Authority 150 days notice of any proposal to change the Transmission Network Use of System (TNUoS) charges in relation to the use of the England and Wales transmission system. The licence obligations in respect of charges for use of the England and Wales transmission system apply until the BETTA go-live date after which time the GB charging arrangements will be in effect but, for the avoidance of doubt, this letter gives notice of our intention to discontinue levying TNUoS charges associated with the use of the England and Wales transmission system for the financial year commencing on 1 April 2005 from BETTA go-live.

National Grid is required by Transmission Licence Standard Condition C4 2(b) to prepare a statement of use of system charges in relation to the use of the GB transmission system, in a form approved by the Authority. This statement will be prepared following the approval of the GB charging methodologies by the Authority, which is anticipated in late November/early December. Once the Authority has approved the GB methodology and associated statements, the obligation to provide 150 days notice will be required for any subsequent changes to the TNUoS charges. There is no requirement at this time to provide 150 days notice of the GB TNUoS charges applicable to the financial year commencing on 1 April 2005.

It is our intention to publish the Statement of Use of System Charges in relation to the use of the GB transmission system (containing the GB TNUoS tariffs) as early as possible next year, prior to BETTA go-live on 1 April 2005.

If you have any questions on any of the above, please do not hesitate to contact me on 01926 655987.

Yours sincerely



—
Stuart Bailey
Charging and Revenue Manager