

Andrew Truswell
Electricity Charging & Access Development
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
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Warwick
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30th January 2008

Dear Andrew,

British Energy response to the Modification proposal to the Transmission Charging Methodology to introduce charging arrangements associated with Offshore Transmission Networks (GB-ECM 08)

British Energy (BE) welcomes the opportunity to comment on the above consultation document. BE is the UK's largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power Station (a large coal plant with two units fitted with FGD) and four small embedded gas generator sites.

Key Points:

- **British Energy still believes that Option 3, onshore connection points is the best option.**
- **If option 3 is implemented then this removes the requirement of expansion factors.**

Offshore Connection / Use of System Boundary

Given the arguments put forward in the consultation document British Energy still believes that option 3, onshore connection point is the best option for offshore connection. We believe that when it comes to connection charging it is difficult to treat offshore in the same way as onshore due to the additional complexities and costs in connecting to the system. It is the choice of the user to locate assets offshore. The costs and complexities of this choice therefore are best met by the user under option 3. It is our view that it is not reasonable to expect onshore users to incur charges as a result of users' choice to locate offshore.

Offshore Circuit Expansion Factor

A further benefit with the onshore connection point is that it does not require expansion factors. As offshore is new to the industry and there is no historic information it would be very difficult to accurately estimate these factors. Therefore, option 3 removes any uncertainty in this respect. British Energy do not support the costs of offshore platforms being charges through the residual element.

High Voltage Direct current (HVDC)

While we support the development of HVDC transmission as it may bring increased efficiency the choice is once again that of the user. Therefore we believe that the costs should be borne by that user and agree that converter costs should not be recovered through the residual charge. Further, this type of connection may not directly bring any additional benefit to the system as a whole.

We hope that these comments are of some help and if you wish to discuss these matters further please do not hesitate to contact me.

Yours sincerely

Rachel Lockley
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