

David Haldearn  
Director, Scotland & Europe  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Stuart Easterbrook  
Transmission Charging  
Development Manager

[Stuart.easterbrook@ngtuk.com](mailto:Stuart.easterbrook@ngtuk.com)

Direct tel +44 (0)1926 656213

Date: 22 October 2004

Dear David,

## **GB Transmission Charging: National Grid's Response to Ofgem's request for additional information**

In the Ofgem consultation and Impact Assessment on the proposed transmission charging methodologies of the GB system operator, issued on the 15 October, there were various requests for additional information to be provided by National Grid. The information was requested to be provided as soon as practicable but no later than 23 October, and I am pleased to say we have been able to meet this challenging timescale.

The request was divided into four key areas:

1. To publish a more detailed rationale on the justification underlying the decision to not model spare capacity on a GB basis,
2. to publish indicative tariffs modelling the application of spare capacity across GB using both the existing arrangements in England and Wales and the approach set out by NERA in response to NGC's April 2004 Initial Methodologies Consultation under both NGC's preferred and alternative scenarios,
3. to publish further information on the calculation of the security factor including on the application of a more disaggregated approach to their treatment i.e. the application of a number of different factors, and
4. to publish more detailed analysis on the assertion that the preferred and alternative options are equally stable including by benchmarking against the stability of existing tariffs in England & Wales.

The response document has been laid out to reflect the order of the request and includes an appendix of tariff changes for various hypothetical scenarios. We have circulated the document and covering letter to the industry and will be publishing them on National Grid's website, found via the following link:

[www.nationalgridinfo.co.uk/betta/gb\\_consultations.html](http://www.nationalgridinfo.co.uk/betta/gb_consultations.html).

If you have any questions relating to any of the above, please do not hesitate to contact me on 01926 656213.

Yours sincerely,



Stuart Easterbrook  
Transmission Charging Development Manager

— c.c. Andrew Walker, Director Transmission Networks Regulation