



Fairwind (Orkney) Ltd

KW17 2QL

Horries, Deerness, Orkney,

Tel 01856 741267

Fax 01856 741370

17.9.04

Richard Lavendar
Senior Commercial Analyst
National Grid Co Plc
NGT House, Floor C3
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

Dear Mr Lavendar

‘GB Transmission Charging – Final Methodologies’

I would like to take the opportunity to reply to the above NGC consultation document.

I do not propose to go through the document point by point but will summarise thus.

Effect of the proposed charging methodologies in Scotland

The charges as they are proposed greatly disadvantage investment in the North of Scotland, in favour of England & Wales. The extension of the original NETA model for England & Wales does not fit properly to Scotland, and is a clear disincentive to development of generation through renewables.

Effect of the proposed charging methodologies in the North Isles

The effect here is even worse than the model for Scotland. Large connection charge based payments coupled with very high TnUOS charges for N Scotland render any development uneconomic as it stands.

There is no level playing field under BETTA for the northern isles – with their great potential for renewable generation.

Third parties etc

The effect of third parties appearing/disappearing on a connected transmission line to Orkney is not at all clear under the current methodology. This needs to be clarified and made clear that it will not disadvantage first connectors.

Scenario A & B

Scenario A is the lesser of 2 bad models.

Thank you for your attention.

Yours sincerely,

Dennis Gowland (Managing Director)