

Denis Linford
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Ref: EDF-Fundrev-1

4th October 2010

Dear Denis,

NETS SQSS – Fundamental Review Update and Consultation Report

Thank you for your response to the above consultation.

We agree that the quality and reliability of electrical supply is of fundamental importance for all connectees to the GB transmission system, as is the economic and efficient development of the system. The fundamental review has been undertaken to ensure that the NETS SQSS delivers the appropriate balance of all of these factors as the transmission system is developed to meet the future requirements of the industry. It is our intention to seek industry involvement in developing both the future work program for the review and any modification proposals. We will welcome your contribution in these areas, including your view on possible safety and commercial impacts.

We note your comments on the working group 2 recommendations. In both the areas of generator connections and group demand estimation and security, we were seeking views on the principles of the proposals. It is our intention to undertake further work with the industry to progress these issues in due course. We will invite you to join the work.

The recommendations of working group 4 are not expected to adversely impact on the reliability of supply. In some cases we have recommended consideration of events beyond those currently taken into account. Any development resulting from this will increase reliability.

In accordance with the NETS SQSS governance procedure, which is currently a voluntary arrangement, we will undertake a consultation, starting later this week, on the text intended to implement the proposed changes. As well as providing an opportunity for comment on the text proposals, we believe that this will help clarify which of the proposals we will recommend for implementation now, and which we believe require further development. We will be submitting a report to Ofgem following this consultation. This report will discuss the proposals taken to consultation and the industry comments, and it will make recommendations on NETS SQSS amendments and future work.

Once again, thank you for your comments. Please contact me (mark.perry@uk.ngrid.com – 01926 655468) should you wish to discuss any issues further. I look forward to working with you on the next phase of the review.

Yours sincerely

Mark Perry