

Our Ref: AHT/RJC/030203
Draft Chg Statements



Date: 7 February 2003

Network Strategy
Commercial

National Grid Company plc
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

To All Interested Industry Parties

Tel No: 024 7642 3116
Fax No: 024 7642 3298

Dear Colleagues

RESUBMISSION OF CHARGING METHODOLOGY MODIFICATION PROPOSALS: CCM-M-05 AND UOSCM-M-06

On 11 November 2002, National Grid issued Consultation Papers CCM-M-05 and UOSCM-M-06 for industry consultation. These charging methodology modifications were proposed as a consequence of the CAP043 CUSC Amendment on "Transmission Access – Entry Access Product Definition".

Following the charging methodology consultation period, National Grid published Conclusions Reports to the Authority on 23 December 2002, including representations made by the industry, recommending that the charging methodology modifications should be implemented from 1 April 2003. National Grid emphasised that the implementation of the charging methodology modifications was dependent upon the approval of the CAP043 CUSC Amendment.

The 28 day period defined in the Transmission Licence for the Authority to consider a charging modification expired on 20 January 2003. As Ofgem were not in a position to approve or reject the CAP043 CUSC Amendment at this time, they vetoed the two charging methodology modifications.

On 6 February 2003, Ofgem approved the CAP043 CUSC Amendment and, in their decision letter, stated that National Grid could resubmit the charging methodology modification proposals in accordance with the procedures in the Transmission Licence.

National Grid applied to the Authority for a shortened consultation period to allow sufficient time for the charging methodology changes to be implemented for April 2003, should they be approved. As National Grid has already consulted with the industry on the modification proposals, Ofgem directed that the charging methodology modifications could be resubmitted for consultation for **two working days**.



INVESTOR IN PEOPLE

Registered Office:
1-3 Strand
London
WC2N 5EH

Registered in
England and Wales
No 2366977

I am therefore writing to inform you that we have published new consultations on CCM-M-05 and UOSCM-M-06, in light of the approval of the CAP043 CUSC Amendment, for a consultation period of two working days. In order to distinguish this secondary consultation, the methodology modification proposals have been issued new reference numbers of **CCM-M-06** and **UOSCM-M-09** respectively. The documents include the terms of the original proposed modifications, analysis of the responses received to the original consultation, the responses themselves and any changes made to the original proposals in light of the responses received. In effect, this means that Sections 2, 3, 4 and 5 of the new consultation documents remain unchanged from the original Conclusions Reports published on 23 December 2002.

As soon as possible following this new consultation, National Grid will issue Conclusions Reports for CCM-M-06 and UOSCM-M-09, including responses made to the original consultation on CCM-M-05 and UOSCM-M-06 and any additional responses to the new consultation. The intention would be to allow Ofgem the opportunity to make a decision on the methodology modifications quickly so that the charging rules are finalised before the process to implement CAP043 through Agreements to Vary the bilateral agreements commences.

If you would like to respond to this consultation, please send your comments to National Grid by **12:00 midday on Tuesday, 11 February**. To ensure that your response arrives on time, you may wish to email the relevant contact below.

UOSCM-M-09 – Mark.lissimore@uk.ngrid.com
CCM-M-06 – Stuart.easterbrook@uk.ngrid.com

Alternatively, you can post your response to the address at the top of this letter or fax it to us on 024 7642 3298. If you have any queries on this process, please contact either me or any of the Commercial Strategy team on the number at the top of this letter.

Yours faithfully

Richard Court
Commercial Strategy Manager