

Mr Tom Ireland  
Electricity Charging and Access Development  
National Grid Electricity Transmission plc  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick, CV34 6DA

Your Ref: GB ECM-08

24th November 2008

Dear Tom,

**Further Consultation Document GB ECM-08**  
**Modification Proposal to the Transmission Network Use of System Charging**  
**Methodology to introduce charging arrangements associated with Offshore**  
**Transmission Networks**

Please find attached Warwick Energy Limited's (Warwick's) written comments in response to the above Consultation Document on Offshore Transmission Networks. In general Warwick's view remains unchanged from that expressed in its original Consultation Document Response dated 28<sup>th</sup> January 2008. As such please consider our earlier comments as part of this response.

Warwick supports the principle of extending the Onshore Charging Methodology to Offshore Networks.

The revised proposals are in response to the letter from Ofgem to National Grid (NG) dated 30<sup>th</sup> May 2008 following the earlier GB ECM-08 proposals. The original proposals allowed socialisation of Offshore Substation costs as part of infrastructure. Indeed socialisation of costs was one of the main justifications used by Ofgem to sell the entire proposed regulatory regime to the wider industry. The latest proposal involves removal of the main part of socialisation benefits. This represents a major change in Regulatory philosophy and Warwick is opposed to these parts of the proposals.

Warwick also notes that the rules appear to allow for development of radial networks. While this may allow the charging regime to deal with transitional projects, the scope does not appear wide enough to cover future OFTO developments. This is particularly true for possible interconnected networks. As such Warwick believes these limitations should be expressly stated in the documentation – and further work carried out to address such issues.

Aside from this Warwick includes a number of detailed comments on the proposals which are described in the attached document.

On a wider note Warwick is concerned that the proposed tendering process, 20 year License Period without Regulatory Review and write down of capital cost over the 20 year period will all lead to increased costs. OFTO costs will be passed onto generators and wider Users by the proposed Methodology and any excess costs will tend to prevent projects being developed.

I trust the comments on GB ECM-08 are clear however please do not hesitate to get in touch if you require any clarification on any of the points made.

Yours sincerely,

Mark Petterson  
Director  
Warwick Energy Limited