

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

6th August 2007

Dear Tom,

Pre-Consultation Document – for the charging arrangements associated with the Offshore Transmission Network

British Energy (BE) welcomes the opportunity to comment on the above pre-consultation document. BE is the UK's largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power Station (a large coal plant with two units fitted with FGD) and four small embedded gas generator sites.

Offshore Connection / Use of System Boundary

Of the options outlined in the document, British Energy is in favour of option 3, onshore connection point. BE believe that when it comes to connection charging it is difficult to treat offshore in the same way as onshore due to the additional complexities and costs in connecting to the system. It is the choice of the user to locate assets offshore. The costs and complexities of this choice therefore are best met by the user under option 3. It is our view that it is not reasonable to expect onshore users to incur charges as a result of users' choice to locate offshore.

A further benefit with option 3 is that it does not require expansion factors. As offshore is new to the industry and there is no historic information it would be very difficult to accurately estimate these factors. Therefore, option 3 removes any uncertainty in this respect.

High Voltage Direct current (HVDC)

BE supports the development of HVDC transmission if this brings increased efficiency. However, as described above this would again be user choice; the costs of which should be borne by that user. Further, this type of connection may not directly bring any additional benefit to the system as a whole.

We hope that these comments are of some help and if you wish to discuss these matters further please do not hesitate to contact me.

Yours Sincerely

Rachel Lockley
Trading Consultant
British Energy Power and Energy Trading