

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

29th November 2007

Dear Tom,

British Energy response to the consultation document for the charging arrangement associated with GB Security and Quality of Supply (SQSS) design variations based on customer requests (GB-ECM 09)

The British Energy group of companies welcomes the opportunity to respond to the above consultation.

Key points:

- **British Energy supports the principle of providing a discount on TNUoS charges where savings in transmission costs arise because a generator chooses to connect to the system at a standard lower than that required by the GB SQSS and accepts the risks associated with that connection.**
- **By not offering a substation discount National Grid are discriminating against some holders of a non-standard SQSS connection**
- **We agree with National Grid's proposals for nodal specific generic formula based discounts.**

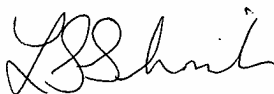
The consultation suggests that to have applied these modifications in 2007/08 the discounts would total £800k with an average rate of £0.54/kW; the cost of such discounts would then be shared between existing users holding standard connections. We acknowledge that this is a small proportion of the total charging background but would have appreciated an opportunity to see the figures for 2008-09 before responding to this consultation.

The preferred methodology discriminates unfairly within the category of those holding non-standard connections by not applying a discount for substation asset savings. British Energy considers that a substation discount should be available if a user chooses to connect directly to a transmission substation with a reduced GB SQSS connection infrastructure.

For design variation circuit discounts and circuit 'partial redundancy' connection discounts we agree with National Grid that a project specific discount undermines the locational signal in the tariff and consequently would support the use of a nodal specific generic formula which provides a more transparent and predictable investment signal.

Please contact me directly should you need clarification on any of these points.

Yours sincerely



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