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Our Reference GB ECM-08

Dear Robert,

**CONCLUSIONS REPORT FOR THE MODIFICATION PROPOSAL TO THE TRANSMISSION NETWORK USE OF SYSTEM CHARGING METHODOLOGY TO INTRODUCE CHARGING ARRANGEMENTS ASSOCIATED WITH OFFSHORE TRANSMISSION NETWORKS**

**GB ECM-08**

Please find attached, the conclusions report for the Transmission Network Use of System Charging Methodology modification proposal GB ECM-8 concerning the charging arrangements for offshore transmission networks.

Further consideration is being given to the charges that will be levied on National Grid by DNOs for Embedded Transmission and whether they best fit within the Transmission Licence definition of 'use of system charges'. National Grid does not however wish to unduly delay the issuing of this report whilst this issue is considered and is therefore proposing two options:

- Option 1: This option includes all elements of the offshore transmission charging proposals that were consulted upon
- Option 2: This option excludes the Embedded Transmission element of the proposals

National Grid recommends Option 1 if it is considered by the Authority that the proposals for Embedded Transmission best fit within use of system charges, and recommends Option 2 if it is considered by the Authority that the proposals for Embedded Transmission cannot and should not fall within use of system charges

In accordance with Standard Condition C5 of the Transmission Licence, the report sets out:

(a) the terms originally proposed for the modification;

- (b) the representations made by Users;
- (c) any changes made to the terms of the modification intended as a result of such representations;
- (d) how the intended modification better achieves the relevant objectives; and
- (e) a timetable for implementation of the modification.

In accordance with Standard Licence Condition C5, National Grid will modify the Use of System charging methodology to reflect Option 1 after a period of 28 days (or 3 months if the Authority decides to undertake an Impact Assessment) should the Authority not give direction that the modification may not be made within this period.

We will be publishing the conclusions report to all concerned parties in parallel to this letter and will be posting this report on the National Grid charging website.

If you have any queries please do not hesitate to contact me.

Yours sincerely,

Hêdd Roberts  
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CC Min Zhu; Anthony Mungall; Bridget Morgan