



David Densley
Scottish and Southern Energy
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

*Promoting choice and
value for all customers*

Your Ref: JM
Our Ref:
Direct Dial: 020 7901 7017
Email: david.halldearn@ofgem.gov.uk

30 March 2004

Dear David,

Offers of access to the transmission system

We refer to the detailed analysis which you and other holders of transmission licences in Great Britain are currently undertaking, of the effect on the GB transmission system of the current substantial demand for access by renewables generation and the ending of the current interconnector access and allocation arrangements.

As you know, on 26 January 2004, Ofgem/DTI published a statement which highlighted this issue (the contents of which we discussed with you prior to publication of the statement). In that statement we indicated that new applicants for access to the GB transmission system might be asked to await reinforcement of that system prior to such access being provided.

We expect that, in relation to applications for access which you have received pursuant to SLC D8B of your transmission licence since you became aware of the issue, you have been making the position (as reflected in the statement of 26 January 2004) clear both in any offers which you make pursuant to that licence and in any agreements which you may subsequently enter into. To the extent that this is not the case, I would be grateful if you would (1) let me know, (2) with immediate effect, clarify the position (either by reference to the statement or otherwise) in any offer for access which you make pursuant to your licence and (3) include a suitable provision in any agreement which you subsequently enter into pursuant to your licence.

In view of the possible implementation of BETTA in the near future, it seems to us to be both desirable and advisable, that each offer which you make and each agreement which you enter into pursuant to your transmission licence makes it clear that that offer and any subsequent agreement relates to access to your transmission system recognising that there is a single market for trading electricity in Scotland and that it is not an offer of access to the GB transmission system. Such offers and agreements should also make clear that, if and when BETTA is implemented offers of access to the GB transmission system can only be made by the GB system



operator and, as made clear in the statement, the GB system operator's ability to make such an offer may be contingent on reinforcement of the GB transmission system.

We intend to publish this letter on our website on Friday 2nd April 2004. Please let me know before then if you have any objection to this.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Haldearn', with a long horizontal flourish extending to the right.

David Haldearn
Director Scotland and Europe