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Our Reference:

Your Reference: Date: 22nd March 2004

Dear Steve,

## **GB** Consultation on BSC Modifications P140

Thank you for the opportunity to comment on this GB consultation for BSC Modification Proposals P140 "Revised Credit Cover methodology for Interconnector BM Units". We have the following comments to make.

We believe that the GB application of P140 needs to take account of the proposed trading arrangements on the Moyle Interconnector which, on the introduction of BETTA, will become an Interconnector in the context of the GB BSC. Whilst the BSC would appear to treat the Moyle Interconnector as any other Interconnector, since the rules of operation of the Moyle Interconnector in the context of BETTA have not been made transparent, consideration may need to be given to the particular set up and operation of the Moyle.

Otherwise, as noted in our response to the E&W consultation, we remain to be convinced that the benefits of the implementation of P140 outweigh the costs.

Yours sincerely,

Rob McDonald Director of Regulation