

David Halldearn
Ofgem
9 Millbank
London
SW1P 3GE

Lewis Dale
Regulatory Strategy Manager

lewis.dale@ngtuk.com
Direct tel +44 (0)1926 655837
Direct fax +44 (0)1926 656520

30th July 2004

Dear David,

Licence conditions in electricity generation, transmission, distribution and supply licences relating to the Fuel Security Code in England and Wales and directions issued under sections 34 and 35 of the Electricity Act 1989 – Ofgem/DTI revised proposals under BETTA.

We welcome the opportunity to comment on the revised proposals on the above under BETTA.

In line with the original proposals for BETTA, we consider the implementation of a GB wide Fuel Security Code as operationally desirable and consistent with the harmonisation of trading arrangements that BETTA will bring, however we recognise that there may be practical issues to deliver this in BETTA time scales.

We do not see any major concerns with the revised proposals in the short term, however this is on the basis that these arrangements are likely to be short lived and any shortcomings will be addressed following the conclusion to the FSC review.

Whilst there may be increased uncertainty for ourselves and the market in operating under two arrangements during a Fuel Security Period, and the potential for an inconsistent and inequitable outcome across Scotland and England & Wales, we note that this could be minimised through consistent directions issued by the Secretary of State under section 34 and/or 35 of the Act.

We are supportive of the need for a GB wide FSC and support the need to implement a revised FSC that brings the Code up to date with the changes that have and will take place in the energy sector.

Yours sincerely

Lewis Dale
Regulatory Strategy Manager

Cc:-

Nigel Williams
Mike Gilbert
Mike Edgar