Inveralmond House 200 Dunkeld Road Perth PH1 3AQ

David Halldearn BETTA Project Ofgem 9 Millbank London SW1P 3GE

> Telephone: 01738 456400 Facsimile: 01738 456415 E:mail: Rob.McDonald@ scottish-southern.co.uk

Our Reference:

Your Reference: Date: 2nd August 2004

Dear David,

BETTA consultation on the legal drafting for the GB CUSC

Thank you for the opportunity to comment on this small piece of drafting for the GB CUSC to remove the obligation to be a party to the BSC from small transmission connected generators.

We agree with this principle, but would highlight again that this does not confer a significant benefit on these small generators and certainly does not harmonise the arrangements for small generators across GB. For the avoidance of doubt, this change confers no BSUoS or transmission losses benefit on these Scottish small generators.

Central to this consultation is the drafting to implement this change. Whilst the new definition of Exempt Power Station would appear to remove the obligation on small "independent" generators to be BSC Parties, we believe that a further definition of what is exempt could lead to unnecessary confusion between Codes and NGC's Charging Statement.

However, more importantly, the consultation highlights that NGC may need to change their TNUoS charging methodology to capture such exempt generators connected to the transmission system. Whilst we can see that there is a need for NGC to consult on such a change, we would be extremely concerned if such changes attempted to re-define the charging base to capture exempt generators connected to other than the transmission system.

I hope you find our comments helpful.

Yours sincerely

Rob McDonald Director of Regulation