SP TRANSMISSION LIMITED

RESPONSE TO THE OFGEM CONSULTATION ON THE INITIAL ALLOCATION OF GB TRANSMISSION SYSTEM ACCESS RIGHTS UNDER BETTA (JULY 2004, 174/04)

1. Introduction

SP Transmission Limited (SPT) welcomes the opportunity to respond to this consultation. As SPT has explained in previous responses, we have a significant and relevant interest in ensuring that the development and utilisation of our network is not limited by the access arrangements.

2. Ofgem/DTI Approach

As an infrastructure business SPT supports the allocation of transmission access rights on a fair and equitable basis. We therefore support Ofgem/DTI's approach, as detailed in 4.21, for allocating firm access rights during the transitional period to BETTA.

By setting a cut-off date in the future an increase in connection applications would appear to be inevitable. We will endeavour to support the GBSO in issuing connection and use of system offers within the time periods set out in their licence but given the increased volumes and likely interaction between offers, within and between licensed areas, this will be a challenge.

We look forward to discussing with Ofgem the arrangements for the controlled exchange of connection application information between the transmission licensees during the transition period.

3. Draft Legal Text

SPT has no comments to make on the detail of the draft legal text.

4. Non-firm Access Under Enduring Arrangements

SPT continues to support enduring arrangements that provide for non-firm access in certain circumstances. Non-firm access will give some flexibility to users to use the transmission system before completion of necessary network reinforcements that provide firm access. Subject to there being no adverse effects on network security, non-firm access will help maximise utilisation of transmission network capacity and ensure that potential users are not discouraged from entering into access arrangements that may be contingent on short-term network reinforcements.

SPT strongly recommends that non-firm access is provided as an option under the enduring arrangements. SPT would be happy to work with Ofgem, NGC and SHETL to progress this important matter.