

Our Ref
Your Ref 282/04

Tel: 020 7752 2200
Fax: 020 7752 2128

David Haldearn
BETTA Project
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE



Date 21 January 2005

Dear David,

BETTA "minded to" statement on the interim discount for small transmission connected generators and impact assessment.

EDF Energy is pleased to have the opportunity to respond to this consultation on the interim discount for small generators connected to the 132kV transmission network after BETTA. We feel that the proposed discount represents an equitable solution which reduces the impact of TNUoS costs on small generators without distorting locational charging signals unduly.

Therefore, we agree with Ofgem that the discount should only be applied to the residual portion of the TNUoS charge; whilst the 25% figure is somewhat arbitrary we believe that in this case a simplistic benchmark is entirely appropriate. Also given that this scheme is only going to last for three years there seems little to be gained from changing this figure in future years.

We do believe, however, that in the longer term transmission charges should be levied to provide the appropriate locational signals to generation with no such distortions. Clearly this is not an immediate concern for BETTA go live, but with the expected increases in renewable generation that are liable to occur in Scotland the disparities between distribution networks and the 132kV transmission system will become even more acute. Therefore it is important that Ofgem start to give consideration now as to how such disparities can be eliminated in future.

We hope that you will find these comments helpful. If you have any queries please contact Stephen Moore on 020 7752 2524 or myself.

Yours sincerely

Denis Linford
Director of Regulation

EDF Energy plc
Registered in England and Wales
Registered No. 2366852
Registered Office:
40 Grosvenor Place Victoria
London SW1X 7EN

www.edfenergy.com