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Dear Colleague,

Applications for connection and use of system under British electricity trading and transmission arrangements (BETTA)

1. Under the current transmission arrangements, the relevant transmission licensee (Scottish Hydro-Electric Transmission Limited (SHETL) in the north of Scotland, SP Transmission Limited (SPTL) in the south of Scotland and the National Grid Company plc (NGC) in England & Wales) is responsible for offering terms for connection to and use of its own transmission system.
2. Under BETTA, NGC will become the GB system operator with responsibility for offering terms for connection to and use of the GB transmission system to all users.
3. Ofgem/DTI needed to establish, as part of BETTA, a framework for regulating how NGC granted access rights to the GB transmission system (that is, GB rights), including how existing access rights to the relevant licensee's transmission system (that is, existing local rights) were to be converted to GB rights. The regulatory framework for the initial allocation of GB rights was published in August 2004¹ (the August 2004 conclusions).

¹ The Initial Allocation of GB Transmission System Access Rights under BETTA: An Ofgem/DTI Conclusions Document, August 2004

4. In the period up to and including 1 January 2005, an unprecedented number of new applications for connection to each transmission system and for connections to distribution systems that may impact on the transmission system, were received by the transmission licensees. This situation is particularly acute in Scotland.
5. The transmission licensees in Scotland have provided us with the following information about the applications that they have received:

Licensee	Connection applications (1 Jan 03 to 31 Dec 03)		Connection applications (1 Jan 04 to 31 Dec 04)	
	Number	GWs	Number	GWs
SHETL	46	2.2	150	7.9
SPT	6	0.3	72	5.5

6. In recognition of the exceptionally large number of applications, the transmission licensees and Ofgem/DTI are currently considering the practical implications of processing applications in the timescales which the transmission licensees are normally obliged to meet.
7. The processing of such a large volume of applications will be challenging and it is likely that applicants will need to wait longer than the normal three months for a response. The precise nature of any delays, and the processes adopted by the transmission licensees in handling applications, will be closely scrutinised by Ofgem/DTI, although any revised process will not affect the order in which GB offers are received. All parties recognise the importance of resolving this matter as soon as possible. Ofgem/DTI's intention to issue further communications on this matter when more information becomes available.