

22<sup>nd</sup> June 2006

Robert Hull  
Director of Transmission  
Ofgem  
9 Millbank  
London SW1P 3GE

Dear Robert

**PROPOSAL TO MODIFY STANDARD LICENCE CONDITIONS C5 AND C6 OF  
THE ELECTRICITY TRANSMISSION LICENCE AND STANDARD SPECIAL  
CONDITION A5 OF THE GAS TRANSPORTERS LICENCE**


British Energy welcomes the opportunity to comment on the issues raised by your letter on the above as published in May 2006. Please note our comments below relate solely to the electricity transmission licence conditions.

We have previously expressed concerns with the process set out in the transmission licence in respect of connection and use of system charging methodologies. Consequently, we welcome Ofgem's intention to address some of the deficiencies with the process by proposing licence amendments.

We consider that impact assessments are a fundamental part of the regulatory decision making process and as such it is important that the process for implementing changes to the charging methodologies allows for such impact assessments to be conducted where appropriate. Consequently, we support Ofgem's proposal to modify the above licence conditions to provide scope for the time period for the Authority to take a decision on a proposed modification to be extended to three months in circumstances where Ofgem deems it necessary to undertake an impact assessment/consultation on proposed modifications. However, we would not support any extension of the Ofgem assessment period if this had the effect of curtailing either the industry consultation process that takes place prior to the Ofgem assessment period stage or the provision by the System Operator of 150 days notice period of changes to use of system charges in accordance with SLC4.

I trust you will find these comments helpful I would be happy to clarify any aspect of our response with you should you wish.

Yours sincerely



**Steven Eyre**  
**Regulation Analyst**

Direct Line: 01452 653741  
Fax: 01452 653246  
E-Mail: [steven.eyre@british-energy.com](mailto:steven.eyre@british-energy.com)