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6 February 2007

Dear Colleague,

Consultation on modifications to Statements of the Basis for Transmission Owner Charges

Scottish Hydro-Electric Transmission Ltd (SHETL) and Scottish Power Transmission Ltd (SP) are the Transmission Owners (TO) in the north and the south of Scotland, respectively. In this capacity they provide services to National Grid Electricity Transmission (NGET), the GB system operator, who in turn provides transmission services to users of the GB electricity transmission network.

Under their Electricity Transmission Licences, SHETL and SP are required to have a statement, approved by the Authority, setting out the basis upon which they will charge NGET for the services provided. The services comprise:

- Transmission owner services
- Connections to the licensees' transmission system, and
- Outage charges

Pursuant to Special Condition J2 (5) of SHETL and SP's Electricity Transmission Licences SHETL and SP shall, at least once in every year make any necessary revisions to these statements in order that the information set out in the statements shall continue to be accurate in all material respects.

We recently received updated versions of the Statement of the Basis for Transmission Owner Charges from both SHETL and SP, for approval. These are attached to this letter as appendices.

In previous years, we have sought views from third parties on modifications to these statements. Following this precedent we now seek views on the proposed modifications to SHETL's and SP's Statements of the Basis for Transmission Owner Charges. In particular views are sought on whether



- the statements provide sufficient clarity on the basis for transmission owner charges to NGET
- the statements continue to be accurate in all material respects

Views are invited by **Friday 9 March**. Where possible, responses should be sent electronically to

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All responses will be held electronically by Ofgem. They will normally be published on the Ofgem website unless they are clearly marked confidential. Wherever possible, consultees should put confidential material in appendices to responses. Ofgem prefers to receive responses electronically so that they may be easily placed on its website.

Please contact Michael Dodd (0141 331 6008) if you wish to discuss or query the issues raised in this open letter further.

Yours sincerely,



Robert Hull
Director, Transmission