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Your Ref:
Our Ref:
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Date: 27th July 2007

Dear Simon,

Connection and Use of System Code Amendment Proposal 131: User Commitment Impact Assessment

On the 29th June 2007 National Grid Electricity Transmission ('NGET') submitted a proposal to modify the Connection and Use of System Code in relation to the securities prospective generators have to post before they connect to the transmission network.

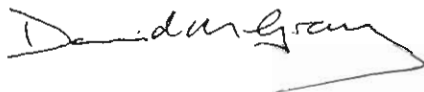
Paragraph 6 of the Standard Licence Condition ('SLC') C10 Connection and Use of System Code (CUSC) of NGET's electricity transmission licence sets out that the licensee shall "establish and operate procedures for the modification of the CUSC" and for "submission of the report to the Authority as soon after the proposal as is appropriate..." This procedure has been followed.

We can confirm that we consider the amendment proposal to be "important" for the purposes of section 5A of the Utilities Act 2000 and that we intend to undertake an impact assessment in accordance with section 5A of the Utilities Act in respect of that proposal.

We currently anticipate publishing the impact assessment document by September 2007 and making a decision on the proposal by the end of the year.

In the interests of providing transparency to users of the transmission system this letter has today been published on the Ofgem website. Should you have any questions on this matter please contact Karron Baker at karron.baker@ofgem.gov.uk or on 0207 901 7350.

Yours Sincerely



David Gray
Managing Director, Networks