

Stuart Cook
Director – Transmission
70 West Regent Street
Glasgow
G2 2QZ

14th October 2008

Dear Stuart,

Connecting the Scottish Islands - update

British Energy (BE) welcomes the opportunity to comment on the above update. BE is the UK's largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power Station (a large coal plant with two units fitted with FGD) and four small embedded gas generator sites. Two of our nuclear stations are located in Scotland accounting for approximately 2400MW of capacity. We also have interests through a joint venture in developing a large island windfarm in Scotland.

BE acknowledge that the issues surrounding the connection of the Islands of Scotland are complex and we are therefore pleased that progress is being made to develop a framework. We strongly agree with Ofgem that connections should be done competitively and as economically as possible to ensure that the customer does not pay more than necessary. Under normal circumstances BE would suggest that connecting the Islands should follow that of offshore wind as they are quite similar processes and would advocate connection via a tendering process.

BE are fully supportive of UK and EU renewable targets and connection of these island projects is consistent with that. If Ofgem believe that these projects can be connected outside of those arrangements deemed suitable for offshore connections then they should allow SHETL to connect them in line with the project connection dates.

We would like to emphasise that the costs incurred by SHETL should be subject to rigorous scrutiny from OFGEM to provide confidence to industry that costs are being effectively controlled and the ultimate impact of this investment on the consumer is minimised.

We hope that these comments are of some help and if you wish to discuss these matters further please do not hesitate to contact me.

Yours Sincerely

Rachel Lockley
Trading Consultant
British Energy, Trading and Sales