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*Promoting choice and
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Dear Hêdd,

Use of system charging methodology modification proposal GB ECM-08: Charging arrangements associated with Offshore Transmission Networks

This letter confirms our intention to undertake an impact assessment of the proposal submitted by National Grid Electricity Transmission Plc ("NGET") to modify the use of system charging methodology in relation to the charging arrangements for offshore transmission networks. NGET submitted this proposal to us on 30 December 2008.

Paragraph 4 of Standard Licence Condition ("SLC") C5 (Use of System Charging Methodology) of NGET's electricity transmission licence sets out that "the licensee will not make any modification to the use of system charging methodology where the Authority has, within 28 days (or within 3 months if the Authority intends to undertake an impact assessment) of the report being furnished to it under paragraph 3, given a direction that the modification shall not be made".

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

We anticipate publishing the impact assessment document shortly and making a decision on the proposal on or before 30 March 2009.

In the interests of providing transparency to users of the transmission system this letter has today been published on Ofgem's website. Should you have any questions on this matter please contact Anthony Mungall at anthony.mungall@ofgem.gov.uk or on 0141 331 6010.

Yours sincerely

Stuart Cook
Director, Transmission Networks

