

Roberta Fernie
Ofgem
3rd Floor Cornerstone
107 West Regent Street
Glasgow G2 2BA

26 November 2009

Dear Roberta,

Re: Consultation on NGET's request for Grid Code and STC Derogations in respect of certain offshore "transitional projects"

Thank you for the opportunity to comment on the above consultation. This non confidential response is on behalf of the Centrica Group of companies excluding Centrica Storage Ltd.

The consultation seeks views on Ofgem's "minded to" position to grant the derogation National Grid has requested. The derogations apply to both the Grid Code and the STC and relate to maintaining the current position arrived at before the changes made to implement the offshore transmission regime were fully defined.

The derogations relate only to transitional projects which are operational or substantially developed under the existing arrangements. If these derogations were not granted, as we understand it, this would expose these transitional projects to adverse impacts which were not anticipated during development. Such exposures could be expected to result in significant additional risk and therefore cost to the affected developers.

We cannot see that any party would be materially disadvantaged or unduly benefit from the proposals as the derogations would simply permit a continuation of the present arrangements, in fact, the reverse would be true.

On this basis we support Ofgem's minded to approach and agree the derogations should be granted.

Yours sincerely,

Sent by email

Alison Russell
Senior Regulation Manager, Upstream Energy