

18 November 2009

Roberta Fernie
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Dear Roberta

Offshore Transmission Derogations Ref 131/09

Thank you for the opportunity to comment on your consultation dated 30 October 2009. This response is sent on behalf of Gunfleet Grid Company Ltd, Gunfleet Sands Ltd, Gunfleet Sands II Ltd and DONG Walney (UK) Ltd.

We support both the principle and detail contained in the consultation and would respond to your specific questions as follows:

1. Do respondents consider there are any impacts associated with the granting of derogation that have not been identified?

No

2. Do respondents consider any party would be materially disadvantaged, or that any party would unduly benefit, were the Authority to grant the derogation?

No

3. Do respondents have any comments on the process NGET has followed in seeking this derogation?

As a beneficiary of a number of the derogations requested, we would have expected to have had a discussion with NGET about them, but we did not, and one omission in the request only became apparent when an initial list of derogations was made available by Ofgem just prior to this consultation. However we are content that so far as we can tell, the request now covers all derogations needed in respect of the companies listed above.

4. Do respondents have any concerns or are there any other matters that respondents would like the Authority to consider?

We are concerned about the comment on page 14 that NGET expects that one of the relevant generators to be required to meet the obligations under BC1, BC2 and BC3, whereas NGET notes that if derogation is granted from a number of Connection Conditions, NGET will itself be unable to satisfy some elements of BC1, BC2 and BC3. Surely in this case it warrants a derogation?

5. Do respondents agree that significant costs would be incurred by the generators if any of the requested derogations were not to be granted?

Yes. Additionally, we would expect that without these derogation some of the generators would either be delayed in commissioning, or prevented from generating at the time of Go Live of the OFTO regime, thus forgoing material revenues and causing additional carbon emissions from replacement generation.

As an additional point we would note that your table of transitional projects on page 4 of the consultation is out of date, since both Gunfleet Sands I and II are now connected.

This response has been sent by email only.

Yours sincerely

A R Cotton