

Ian Marlee
Partner – Trading Arrangements
Ofgem
9 Millbank
London
SW1P 3GE

Mark Ripley
Regulatory Frameworks Manager
mark.g.ripley@uk.ngrid.com
Direct tel +44 (0)1926 654928
Direct fax +44 (0)1926 653052

www.nationalgrid.com

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Dear Ian

Operating Margins (OM) Contestability

National Grid welcomes the publication of Ofgem's letter of 21 December 2009 on OM Contestability. We believe Ofgem's clarification on the flexibility to suspend the application of some, rather than all, C3 prices in respect of the provision of OM services is helpful to both National Grid and the wider industry.

As the licence is not explicitly clear on this issue we would support a licence modification to clarify this in the licence.

If you require any further information then please contact either myself or John Perkins (01926 656337).

Yours sincerely

Mark Ripley
Regulatory Frameworks Manager