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Date: 13 May 2011

Dear Colleague

Consultation on modifications to Statements of the Basis for Transmission Owner Charges

This letter invites views from interested parties on updated versions of the Statement of the Basis for Transmission Owner Charges which have been submitted to the Authority for approval by Scottish Hydro-Electric Transmission Ltd ("SHETL") and Scottish Power Transmission Ltd ("SPTL"). We seek views on the modifications to these statements proposed by SHETL and SPTL.

SHETL and SPTL are the Transmission Owners of the high-voltage transmission networks in the north and south of Scotland, respectively. In this capacity, they provide services to National Grid Electricity Transmission plc ("NGET"), the system operator for the National Electricity Transmission System, who in turn provides transmission services to users of the electricity transmission network.

Under their Electricity Transmission Licences, SHETL and SPTL are required to have a statement, approved by the Authority, setting out the basis upon which they will charge NGET for the services provided. The services comprise:

- Transmission Owner services;
- Connections to the licensees' transmission system; and
- Outage charges.

Pursuant to Special Condition J10 (5) of SHETL's and SPTL's Electricity Transmission Licences, SHETL and SPTL shall, at least once in every year, make any necessary revisions to these statements in order that the information set out in the statements continue to be accurate in all material respects.

We recently received updated versions of the Statement of the Basis for Transmission Owner Charges from both SHETL and SPTL for approval. These are attached to this letter as appendices. In particular, views are sought on whether:

- the statements provide sufficient clarity on the basis for transmission owner charges to NGET
- the format of the statements are consistent and coherent and
- the statements continue to be accurate in all material respects.

Views are invited by **5pm Friday 10 June 2011**. Responses should be sent electronically to anthony.mungall@ofgem.gov.uk and be marked "Response on TO charging statement consultation".

All correspondence will be held electronically by Ofgem and will normally be published unless clearly marked confidential.

If you wish to discuss the consultation or any issue raised in this letter further, please contact Anthony Mungall on 0141 331 6010.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H Nixon', is centered on a light-colored rectangular background.

Hannah Nixon

Partner, Smarter Grids and Governance