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By Email only

24 June 2011

Dear Hannah,

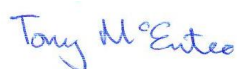
Project TransmiT: approach to electricity transmission charging work

Thank you for the opportunity to respond to your consultation on the approach to transmission charging work.

We support Ofgem's proposal to launch a Significant Code Review to progress the development of transmission charging in view of the ambitious timescales set for the review. We also agree that the scope should be limited to exclude more fundamental changes to the charging arrangements.

With regard to the proposed options for charging that are being considered, the Improved Incremental Cost Related Pricing approach looks the most appropriate. A socialised charging methodology, coupled with the super shallow connection charging methodology appears to remove all cost reflectivity out of the charging approach. Such a development is completely at odds with the approach that is being followed for distribution networks. If some form of cross-subsidy of particularly types of user is required, it should be achieved explicitly and not be hidden through socialised charges.

Yours sincerely,

A handwritten signature in blue ink that reads "Tony McEntee".

Tony McEntee

Head of Commercial Policy

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