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RE: Project Transmit Significant Code Review

Project Transmit has been running for some 7 months and whilst a number of academic and discussion papers have been produced there has been little progress in addressing the fundamental issue of determining where the balance lies between socialisation of charges and cost reflective charges.

We support the proposed Project Transmit SC R and believe that it should focus on this main issue. The SCR should propose modifications to the CUSC and determined the balance between socialisation of charges and cost reflectivity as a **revised charging objective**.

We also believe that the SCR should cover new embedded generation projects and clarify how and under what circumstances they should be liable for TNUoS . As the effect on the transmission system of embedded generation increases it becomes less sustainable that that this group should be excluded from funding for its provision.

We do not believe that the SCR should set out the detail of how the TNUoS charging methodology should be modified to reflect the **revised charging objective**; we believe that this is best left to industry participants and National Grid to determine, with approval for proposed charging changes being given by the Authority.

Yours sincerely,

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