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Direct Dial: 0141 331 6010
Email: anthony.mungall@ofgem.gov.uk

Date: 25 May 2012

Dear Colleague,

Direction to National Grid Electricity Transmission plc in relation to the Significant Code Review under Project TransmiT

On 4 May 2012 the Authority published its conclusions to the Significant Code Review (SCR) under Project TransmiT which has considered the electricity Transmission Network Use of System (TNUoS) charging arrangements¹. In that document the Authority indicated that it intended to issue a direction to National Grid Electricity Transmission plc (NGET) to give effect to these conclusions. The terms of the Authority's direction are set out in the associated document published alongside this letter.

The publication of this direction signals the end of the Project TransmiT SCR and initiates an industry led process to further develop the method of calculating TNUoS charges as set in accordance with the use of system charging methodology in section 14 of the Connection and Use of System Code (CUSC).

Industry will decide the manner and timing of the industry process, but we continue to urge industry to expedite this process and submit a final CUSC modification proposal report, with all the requisite justification and evidence, in a timely manner to ensure benefits are realised as quickly as possible.

Ultimately, our role is to consider amendment proposals to the use of system methodology developed by NGET and industry. The Authority will only make a final decision on the use of system methodology when it approves or rejects any forthcoming CUSC modification proposals.

If you wish to discuss any aspect of this letter or associated documents, please contact Anthony Mungall by email (anthony.mungall@ofgem.gov.uk) or by telephone (0141 331 6010).

Yours faithfully,

Ian Marlee,
Senior Partner, Smarter Grids & Governance - Transmission

¹ Project TransmiT – Electricity charging arrangements Significant Code Review conclusions
<http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/TransmiT%20SCR%20conclusion%20document.pdf>