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19th July 2013

Dear Iain,

This letter provides our response to Ofgem's 'Consultation on transmission owners' proposed Network Access Policies setting out what the system operator can expect from them'.

Summary

As NGET operates as both the transmission owner in England and Wales and the GB system operator we have considered particularly the joint Policy submitted by Scottish Hydro Electric Transmission and Scottish Power Transmission and identified broader themes for development.

In the case of NGET's own Network Access Policy we welcome any comments that arise from this consultation and remain committed to working with all Stakeholders to develop our Policy further.

NGET support the NAP development Scottish TO's have undertaken to date. The processes outlined in the NAP have been developed in conjunction with NGET and this has assisted in the development of an enhanced working relationship. NGET see the NAP as a positive development; giving a more robust approach to system access planning both in the shorter and longer term timescales.

We recognise that there is still scope for further development of the NAP and we are committed to working closely with the Scottish TO's to continue the progress made so far.

Network Access Policy themes for development

We have identified five broad areas to consider taking forward;

- Within the ambition to further optimise decisions we believe that a shared view on cost materiality should be agreed to allow focus on the highest benefit opportunities.
- Ensuring that the increased transparency under the NAP's as proposed provides the intended comfort to stakeholders in respect of decision making.

- Further development in the process of setting a baseline plan and managing change from the baseline to allow demonstration of the benefits achieved under the Network Access Policy approach.
- In some circumstances actions taken under the NAP will impact adjacent TO's, such as changes to outages in proximity to network boundaries, therefore consideration of inter TO co-ordination issues may be merited. We see this taking place through the System Operator.
- Further mechanism development to enable system operation costs (and benefits) to be reflected through stronger incentives on Transmission Owners to the benefit of customers.

Further to these areas NGET will also support in the monitoring and review of the NAP including the possible raising of amendments to the STC to ensure the most effective outcomes.

If you would like to discuss this response further, in the first instance please contact Paul Auckland (paul.auckland@nationalgrid.com or 07824 476359).

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Chris Bennett', with a long horizontal flourish extending to the right.

Chris Bennett
Head of UK RIIO Delivery