Dear James,

Thank you for the opportunity to respond to this NGET proposal. My answers to your questions are set out below but in general terms Vattenfall Wind Power Ltd is strongly in favour of this simplification of the Statement of Works process.

Do you understand NGET's proposal?

Yes, we are very familiar with the process and the change proposed.

What is your view on the usefulness of the proposal and its perceived benefits?

This change, in conjunction with the recent reduction in the upfront fee for progression, will shorten this important process by about 2 months which will be very beneficial in shortening the overall time to derive certainty on the financial and date implications of dependent transmission works. This is particularly important in Scotland where the transmission impact on the viability of embedded generators can be significantly greater than the distribution impact. In 10 years of dealing with this process I have never encountered a case were an SoW has not led to progression and hence no value has ever been added by the SoW.

Do you have any concerns with this proposal?

It is important that this change is applied in conjunction with the reduced upfront fee that was introduced for progression in 4Q 2013. Without this associated change I would be concerned that there would be a substantial and unnecessary hurdle to project progression, especially when the average cost of works associated with progression is likely to be small because it is very unusual for a single embedded to trigger major and complex reinforcement works.

Regards, Andy

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