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Ref: FH-Fundrev-1

4th October 2010

Dear Simon,

NETS SQSS – Fundamental Review Update and Consultation Report

Thank you for your response to the above consultation.

We note your comment that you support all of the proposals, with the exception of the definition of load factor used in generation connection design.

The proposals of the working group regarding generation connections were in respect of principles rather than recommended NETS SQSS criteria. The working group recognised that further work will be needed on the detailed proposals if the principles are accepted. The principles that the group developed are intended to ensure that for an intact network no generation, of any type, will be constrained. The robustness of the connection will differ on the basis of size and load factor in its post outage capability. We agree with your view that comparable load factors between plant types may represent very different underlying performance and benefit to the system, and that this may impact on the most appropriate connection design. It is our intention to undertake further work, with help from the wider industry, to develop the details of this proposal.

In accordance with the NETS SQSS governance procedure, which is currently a voluntary arrangement, we will undertake a consultation, starting later this week, on the text intended to implement the proposed changes. As well as providing an opportunity for comment on the text proposals, we believe that this will help clarify which of the proposals we will recommend for implementation now, and which we believe require further development. We will be submitting a report to Ofgem following this consultation. This report will discuss the proposals taken to consultation and the industry comments, and it will make recommendations on NETS SQSS amendments and future work.

Once again, thank you for your comments. Please contact me (mark.perry@uk.ngrid.com – 01926 655468) should you wish to discuss any issues further. I look forward to working with you on the next phase of the review.

Yours sincerely

Mark Perry