

Tom Ireland
Electricity Charging and Access Development
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Name John Norbury
Phone +44 (0)1793 892667
Mobile +44 (0)7795 354382
E-Mail john.norbury@RWE.com

thomas.ireland@uk.ngrid.com

29th August 2008

Dear Tom

**Consultation Document GB – ECM 11:
Charging Arrangements for Generator Local Assets**

Thank you for the opportunity to comment on the above consultation on the TNUoS charging methodology. The following response is provided on behalf the RWE group of companies including RWE Npower plc, RWE Supply & Trading GmbH, and RWE Innogy GmbH.

In our response dated 27th March 2008 to Pre-Consultation GB ECM-11 we agreed that more accurate arrangements are required within the charging methodologies to reflect the costs incurred in connecting generation and demand. We indicated that our preference would be for asset specific charging in combination with the ICRP approach. We also expressed concerns with each of the four options for charging for local assets proposed in the consultation and concluded that the charging methodology for both local assets and wider system use would be enhanced by reflecting all costs as fully as possible.

Whilst the wider system assets will be shared by a number of Users, local assets are unlikely to be shared and will therefore be associated with a single user. This single User may wish to consider a generation connection design variation under the SQSS as an economic choice or it may have been effectively forced to opt for such variation in order to secure a connection to the transmission system in a timely manner. It is therefore important that the charge for these local assets are fully cost reflective to ensure that the correct economic decision is made and/or the correct level of compensation is credited to the User.

We consider that the adoption of either of the two models for charging for local assets put forward in this consultation would represent an improvement on the current arrangements. We believe that both Option A and Option B have the potential to represent these costs more accurately and also to provide a charging model that would be capable of accommodating the changes likely to arise from the current review of transmission access. Proposed changes such as the introduction

RWE Supply & Trading GmbH
Swindon Branch

Windmill Hill Business Park
Whitehill Way
Swindon SN5 6PB
United Kingdom

T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.rwe.com

Registered No. BR 7373

VAT Registration No.
GB 524 921354

Advisory Board:
Dr Ulrich Jobs (Chairman)

Management Board:
Peter Terium (CEO)
Dr Bernhard Günther
Stefan Judisch
Dr Peter Kreuzberg

Member of the extended
Board of Directors
(General Representative):
Dr. Wolfgang Peters

Head Office:
Essen, Germany
Registered at:
Local District Court, Essen
Registered No.
HR B 14327

of auctions and wider transmission access rights would be greatly facilitated by taking the opportunity at this stage to disaggregate the local and wider elements of the TNUoS charge.

I trust you will find the above comments helpful. If you wish to discuss any matters further please do not hesitate to contact me.

Yours sincerely

By email

John Norbury
Network Connections Manager