



*Bringing choice and value
to customers*

Mr Chris Murray
Commercial Director
National Grid Transco plc
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Gallows Hill
Warwick
CV34 6DA

Our Ref: TCH/18(CS)
Direct Dial: 020 7901 7017
Email: steve.smith@ofgem.gov.uk

28 February 2005

Dear Chris,

Direction issued by the Gas and Electricity Markets Authority (the Authority) to National Grid Company Plc (NGC) under Standard Licence Condition C13 (Adjustments to use of system charges (small generators)) (SLC C13)

This direction is issued by the Authority to NGC under SLC C13 of the transmission licence (the Licence) granted or taken to be granted to NGC under section 6 of the Electricity Act 1989 (as amended).

As you are aware, under SLC C13, the Authority shall direct a designated sum which NGC shall use for the purpose of calculating use of system charges which are to apply to eligible generators on and from the BETTA go-live date.

The Authority hereby directs that, subject to paragraphs (4) and (5) of SLC C13, the designated sum for the purpose of paragraph 1 of SLC C13 shall be calculated in accordance with the following formula:

$$DS = 0.25 \times RT$$

Where:

DS is the designated sum; and
RT is the Residual Tariff as defined and calculated in accordance with chapter two of the statement of the use of system charging methodology as published by NGC and applying from time to time.

Unless the context otherwise permits or requires, terms and expressions used in this direction shall have the same meanings, interpretations or constructions given to such terms and expressions in the Licence.

Yours Sincerely

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a cursive name, likely 'Steve Smith'.

Signed on behalf of the Authority by
Steve Smith - Managing Director, Markets
Authorised for that purpose by the Authority

Cc: Stuart Easterbrook, Transmission Charging Development Manager, NGT