

DONG Energy A/S
A. C. Meyers Vænge 9
2450 Copenhagen SV
Denmark

Tel +45 44 80 60 00
Fax +45 44 80 60 00

www.dongenergy.com

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Andrew Truswell
Electricity Charging & Access Development
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Dear Mr Truswell

Modification proposal to TNUOS Charging Methodology for Offshore Transmission Networks

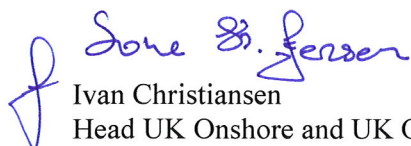
Thank you for the opportunity to comment on this consultation as issued in December 2007. This response is made by DONG Energy A/S, 50% owner and operator of the 90MW Barrow Offshore Wind Farm and sole owner the 90MW Burbo Offshore Wind Farm. DONG Energy has three further offshore wind farms that are now under construction (aggregate capacity of more than 215MW) and a longer term offshore pipeline approaching 3GW (equity interest).

DONG Energy has been supportive of the proposals to introduce an offshore transmission regime and welcomes this clarity on NGET's proposal for charging. DONG supports the first two key proposals in the consultation, namely the proposed connection/use of system boundary, and a specific approach to expansion factors (albeit with the possibility of a later switch to generic, which we would also support). We question however the logic of treating DC converter stations as locational, when AC offshore platforms are non-locational. We consider this might lead to selection of AC in preference to DC because of the differences in charging allocation, rather than the underlying economics.

We also note the comment on the GBSQSS, that the principles behind the design variation consultation (GBECM-09) would be applicable to offshore zero redundancy connections. This appears logically incorrect, since that amendment was dealing with reductions *below* the GBSQSS (and consequent loss of compensation), whereas offshore it is the GBSQSS that will or may specify zero redundancy of some assets. Therefore provided the generator *meets* the offshore security standard there should be no reduction in compensation paid compared to onshore generators. We understand that the nature of these offshore connections could give rise to concerns over a lack of competition between generators to resolve constraints, but there is no reason why an administered solution could not be adopted. Simply saying that no compensation is available (other than under an OFTO incentive scheme which is in all probability unlikely to properly compensate for loss of access) discriminates as between onshore and offshore generators.

Additionally we would advise that we found the worked example extremely useful in understanding the implications of the proposed charging regime. We would request that NGET produce for illustration charges for typical generators in other areas, in particular the North-West and Thames Estuary.

Yours sincerely



Ivan Christiansen
Head UK Onshore and UK Offshore NW
Tel +45 2540 2186
ivach@dongenergy.dk