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Dear Sonia

NGC System Operator Schemes from April 2003 - Final Proposals

Thank you for the opportunity to comment on these proposals.

We support the conclusion set out in your consultation document with regard to the incremental development of deep SO incentive arrangements and the reform of transmission access arrangements.

The case for implementing a market for transmission access and the benefits this will deliver remains unproven. Much greater detail of how a market would work and how it will deliver greater efficiencies than the current methodology of investment planning is needed before these proposals are taken further. Your decision allows more time for the industry to develop a more detailed understanding and undertake cost benefit analysis of the alternative scenarios.

I hope you find these comments helpful and if you wish to discuss any of the points raised please do not hesitate to give me a ring.

Yours sincerely

Stephen Parker

Senior Regulatory Analyst



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