

12 August 2003

Contact Phone No 0113 389 5849

FAO Toby Brown
Head of Strategy and Corporate Transactions
Ofgem
9 Millbank
London
SW1P 3GE

Dear Toby

National Grid Company's interest in Lattice Energy Services – proposed consent extension to October 2004

Thank you for the opportunity to comment on the proposed extension to consents allowing the continued interest of Lattice Energy Services in the Cleveland CHP plant.

Given the fact that National Grid Transco (NGT) has successfully disposed of two of the three assets and subsequently discovered uncertainties around the requirements of the Environment Agency (EA) after the original consents were issued then I do not believe it would be helpful to insist upon the original drop dead date of October 2003 as originally agreed. An extension would enable further dialogue between NGT and the EA that should enable progression through to an orderly sale of the plant.

I would expect NGT to ensure that Ofgem is made fully aware of their progress with the EA throughout this period and look to conclude their business in advance of the October 2004 consent extension time if achievable.

If you require any further information on this issue please do not hesitate to contact me at the number shown above.

Yours sincerely

Barbara Vest
Representation Manager