

≡ Scottish and Southern Energy plc

Toby Brown
Head of Strat. and Corporate Transactions
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Our Reference:
Your Reference:

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Telephone: 01738 456400
Facsimile: 01738 456415
email:

Date: 30 July 2003

Dear Toby

National Grid Company's Interest in Lattice Energy Services

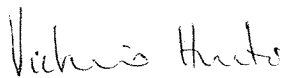
Thank you for the opportunity to comment on the above paper.


For the reasons Ofgem has set out in the consultation paper, we agree that it would be reasonable to extend the consent granted to the last remaining CHP plant in which LES has an interest for a further twelve months to October 2004.

More generally however, we do not agree that there is an issue for generation interests and system operation activities to be owed by the same Group as long as appropriate separation measures have been put in place.

I hope that you will find the above comments useful.

Yours sincerely



 Rob McDonald
Group Regulation Manger


Scottish Hydro-Electric


SOUTHERN
ELECTRIC


SWALEC


Delivering
your electricity