

**CUSC Modification Proposal Form
(for Charging Methodology proposals)**

CMP203

Title of the CUSC Modification Proposal: *(mandatory by proposer)*

TNUoS Charging Arrangements for Infrastructure Assets Subject to One-Off Charges

Submission Date *(mandatory by Proposer)*

08/12/2011

Description of the CUSC Modification Proposal: *(mandatory by proposer)*

It is proposed that the Transmission Network Use of System Charging Methodology within the CUSC is modified to reflect User funding of one-off works in relation to infrastructure assets. It is proposed that this is achieved through the alteration of the characteristics of relevant assets in the tariff calculation so that they reflect their original design prior to the one-off works being undertaken.

Description of Issue or Defect that the CUSC Modification Proposal seeks to Address:
(mandatory by proposer)

In order to gain an earlier connection to the transmission network, a number of generators choose to pay a one-off payment to cover the cost of additional works to avoid planning delays (e.g. the undergrounding of circuits).

Such one-off payments are not currently considered as part of the TNUoS charging arrangements. Therefore customers that pay a one-off charge do not see a corresponding adjustment to their TNUoS charges. This is because TNUoS charges reflect actual assets installed, and take no account of any upfront payments. This effectively means that the charges made to some Users are not cost reflective, as they can pay twice the cost of the one-off works over the life of the assets.

Impact on the CUSC: *(this should be given where possible)*

Modification of Section 14: Charging Methodologies.

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? No *(mandatory by Proposer. Assessed in accordance with Authority Guidance – see guidance notes for website link)*

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information: *(this should be given where possible)*

BSC

Grid Code

STC

Other
(please specify)

Urgency Recommended: No (optional by Proposer)

Justification for Urgency Recommendation (mandatory by Proposer if recommending progression as an Urgent Modification Proposal)

Self-Governance Recommended: No (mandatory by Proposer)

Justification for Self-Governance Recommendation (mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? Yes (mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)

It is possible that some parties may take the view that the electricity transmission charging SCR launched by Ofgem as part of Project TransmiT could have the potential to interact with this proposal. However, as a small number of Users are materially affected by this issue currently, the proposer believes that there is merit in the progression of this proposal in parallel.

Impact on Computer Systems and Processes used by CUSC Parties: (this should be given where possible)

None

Details of any Related Modifications to Other Industry Codes (including related CUSC Modification Proposals): (where known)

None

Justification for CUSC Modification Proposal with reference to Applicable CUSC Objectives: (mandatory by proposer)

Please tick the relevant boxes and provide justification for each of the Charging Methodologies affected.

Use of System Charging Methodology

- (a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;
- (b) that compliance with the use of system charging methodology results in charges which

reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);

- (c) that, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses.

Full justification:

This modification ensures that Users who have already paid for One-off Works see a corresponding reduction in their TNUoS charges, thus increasing cost-reflectivity of their charges and removing a barrier to their competitiveness within the market.

The readjustment of charges to account for assets subject to One-Off Works will help improve the transparency of charging arrangements and act as an enabler for Customer Choice connections thereby better facilitating developments in the transmission licensees' transmission businesses.

Details of Proposer: (Organisation's Name)	National Grid Electricity Transmission plc
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party, "National Consumer Council" or Materially Affected Party)	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Wayne Mullins National Grid Electricity Transmission plc 01926 653999 wayne.mullins@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Andrew Wainwright National Grid Electricity Transmission plc 01926 655944 andy.wainwright@uk.ngrid.com
Attachments (Yes/No): No	
If Yes, Title and No. of pages of each Attachment:	