

CUSC Workgroup Consultation Response Proforma**CMP337: 'Impact of DNO Contributions on Actual Project Costs and Expansion Factors' & CMP338: 'New Definition of Cost Adjustment'**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **9am on 11 May 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Ren Walker at lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Sweyn Johnston, Strategic Projects Director
Company name:	Orkney Islands Council
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CMP337

For reference the applicable CUSC Charging objectives are:

Relevant Objective
(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 accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence 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;
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and
(e) To promote efficiency in the implementation and administration of the CUSC arrangements

CMP338**For reference the applicable CUSC objectives are:**

Relevant Objective
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

CMP337 - Standard Workgroup Consultation questions		
1	Do you believe that the CMP337 Original Proposal better facilitates the Applicable CUSC Charging Objectives?	Yes
2	Do you support the proposed implementation approach for CMP337?	Yes
3	Do you have any other comments?	<p>We generally support the aims of CMP337/8 as we understand that there are benefits to various types of island links.</p> <p>We understand that the modification makes no changes to the charging methodology but allows for netting off between the TO/DNO and Ofgem to be reflected in the TNUoS of generators on the link.</p> <p>We generally support the modification as it stands but request that renewal of an existing 33kV sub-sea cable to Orkney, which is due within a similar</p>

		timeframe to the new transmission link, is considered in a similar way to the Shetland model described in the Workgroup consultation.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
CMP338 – Standard Workgroup Consultation questions		
1	Do you believe that the CMP338 Original Proposal better facilitates the Applicable CUSC Objectives?	Yes
2	Do you support the proposed implementation approach for CMP338?	Yes
3	Do you have any other comments?	See above
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No