Issue	Revision
9	1

The Statement of Use of System Charges

Effective from 1 April 2013

Based Upon:

The Statement of the Connection Charging Methodology
and
The Statement of the Use of System Charging Methodology

contained within

Section 14 Parts I and II respectively
of the Connection and Use of System Code

nationalgrid

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Introduction

This statement is published in accordance with the Transmission Licence of National Grid Electricity Transmission plc (National Grid).

This document sets out the annual tariffs for Transmission Network Use of System charges and the parameters used to calculate these; details of the Balancing Services Incentive Scheme which forms part of the Balancing Services Use of System Charges; and fees charged by National Grid in relation to applications for connection, use of system and engineering works.

Further information on the methods by which and principles upon which National Grid derives Use of System charges is set out in the **Statement of the Use of System Charging Methodology** which is included in Section 14 of the Connection and Use of System Code (CUSC) which is available on our website at:

http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/contracts/

If you require further detail on any of the information contained within this document or have comments on how this document might be improved please contact our **Charging Team**, preferably by email at:

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Schedule 1

Basis of 2013/14 Transmission Network Use of System Charges

The Transmission Network Use of System Charges for 2013/14 found within this document have been calculated using the methodology described in the Statement of Use of System Charging Methodology. Part of the tariff calculation utilises a DC Load Flow (DCLF) Investment Cost Related Pricing (ICRP) transport and tariff model. The following tables provide a summary of some of the parameters utilised to calculate tariffs within this model.

Table 1.1: TNUoS Calculation Parameters

Parameter	Value/Basis
Transport model network, nodal generation & nodal demand data	Based upon data published in the October update of the 2012 GB Ten Year Statement
Reference node	ECLA40_WPD
Expansion constant	£ 12.514404 /MWkm
Annuity factor	5.8%
Overhead factor	1.8%
Locational onshore security factor	1.8
Offshore civil engineering discount	£ 0.392321 /kW

Table 1.2: Onshore Wider Cable and Overhead Line (OHL) Expansion Factors

TO Region	Cable Expansion Factor			OHL Expansion Factor		
	400kV	275kV	132kV	400kV	275kV	132kV
Scottish Hydro Electric Transmission Ltd	10.20	11.45	20.77	1.00	1.20	2.59
SP Transmission Ltd	10.20	11.45	22.58	1.00	1.20	2.87
National Grid Electricity Transmission plc	10.20	11.45	22.58	1.00	1.20	2.87

Table 1.3 Onshore Local Expansion Factors (All TO Regions)

2dp	400kV	275kV	132kV			
			Single Circuit <200MVA	Double Circuit <200MVA	Single Circuit >=200MVA	Double Circuit >=200MVA
Cable Expansion Factor	10.20	11.45	22.58	22.58	22.58	22.58
OHL Expansion Factor	1.00	1.20	10.33	8.388	5.912	3.950

Table 1.4 Offshore Local Expansion Factors

Offshore Power Station	Local Expansion Factor (to 2 d.p.)
Barrow	95.29
Gunfleet	83.15
Robin Rigg East	144.21
Robin Rigg West	144.21
Walney I	61.71
Walney 2	59.00
Ormonde	71.32

Further Local Expansion Factors used to calculate Local Circuit Tariffs applicable to generation connecting to offshore transmission infrastructure during 2013/14 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Wider Zonal Generation Charges (£/kW) in 2013/14

Table 1.5

The following table provides the Wider Zonal Generation TNUoS tariffs applicable from 1st April 2013.

Zone	Zone Name	Tariff (£/kW)
1	North Scotland	25.418971
2	East Aberdeenshire	22.795139
3	Western Highlands	26.146895
4	Skye and Lochalsh	30.251919
5	Eastern Grampian and Tayside	21.546049
6	Central Grampian	19.750208
7	Argyll	18.515568
8	The Trossachs	16.491922
9	Stirlingshire and Fife	16.403825
10	South West Scotland	15.529814
11	Lothian and Borders	12.836108
12	Solway and Cheviot	11.072685
13	North East England	8.641032
14	North Lancashire and The Lakes	7.475188
15	South Lancashire, Yorkshire and Humber	6.342092
16	North Midlands and North Wales	5.184032
17	South Lincolnshire and North Norfolk	3.486470
18	Mid Wales and The Midlands	2.442909
19	Anglesey and Snowdon	7.409039
20	Pembrokeshire	5.566128
21	South Wales	2.916588
22	Cotswold	0.038756
23	Central London	-4.442372
24	Essex and Kent	0.191397
25	Oxfordshire, Surrey and Sussex	-1.692437
26	Somerset and Wessex	-3.045193
27	West Devon and Cornwall	-5.165609

The above tariffs are a combination of a locational element that reflects the cost of providing incremental capacity to generation on an area of the main integrated onshore transmission system, and a non-locational residual element which ensures that the appropriate amount of transmission revenue is recovered from generators. For 2013/14 the generation residual element to two decimal places is £4.81/kW.

Wider Generation charges are levied by reference to the Transmission Licensee's substation to which the party is connected or deemed connected. Transmission Licensee's substations are assigned to a generation zone as shown on the zonal maps.

If a party is unclear from looking at the geographical map which zone the relevant National Grid substation is assigned to, then those parties should refer to the electrical version of the map of Generation Use of System Tariff Zones as at 1 April 2013 for clarification. Confirmation of the zoning of a particular generator can be obtained by contacting National Grid's Charging Team.

Small Generators' Discount

In accordance with Licence Condition C13 in National Grid's Transmission Licence, small generators connected to the 132kV transmission system are eligible for a reduction in the listed Generation TNUoS tariffs. This discount has been calculated in accordance with direction from the Authority and equates to 25% of the combined generation and demand residual components of the TNUoS tariffs. For 2013/14, this figure has been calculated as £7.554625/kW.

Schedule of Transmission Network Use of System Local Substation Generation Charges (£/kW) in 2013/14

Table 1.6 Onshore Local Substation Tariffs (£/kW)

The following table provides the Local Substation Generation TNUoS tariffs applicable to all generation directly connected to the onshore GB Transmission Network from 1st April 2013, which have been updated from the examples listed in the Statement of Use of System Methodology.

		Local Substation Tariff (£/kW)		
Sum of TEC at connecting Substation	**Connection Type**	**132kV**	**275kV**	**400kV**
<1320 MW	No redundancy	0.170242	0.097389	0.070170
<1320 MW	Redundancy	0.375029	0.232032	0.168754
>=1320 MW	No redundancy	-	0.305358	0.220836
>=1320 MW	Redundancy	-	0.501319	0.365922

The above tariffs reflect the cost of the transmission substation equipment provided to facilitate generation connecting to an onshore substation.

Table 1.7 Offshore Local Substation Tariffs (£/kW)

The following table provides the Local Substation Generation TNUoS tariffs applicable to generation connecting to offshore transmission infrastructure from 1st April 2013:

Offshore Power Station	**Local Substation Tariff (£/kW)**
Robin Rigg East	-0.392321
Robin Rigg West	-0.392321
Gunfleet Sands 1 & 2	14.846982
Barrow	6.860212
Ormonde	21.208091
Walney 1	18.303588
Walney 2	18.170471

Further local substation tariffs applicable to generation connecting to offshore transmission infrastructure during 2013/14 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Local Circuit Charges (£/kW) in 2012/13

Table 1.8

The following table provides the Local Circuit Generation TNUoS tariffs applicable to directly connected generation not connected to the main integrated onshore GB Transmission Network from 1st April 2013.

Substation	Local Circuit Tariff (£/kW)
Aigas	0.532870
An Suidhe	1.168344
Andershaw	2.419695
Arecleoch	0.070890
Baglan Bay	0.551331
Black Hill	1.358788
Black Law	0.847831
BlackCraig	1.035744
Blacklaw Extension	2.480808
Bodelwyddan	-0.020948
Carraig Gheal	3.729895
Cleve Hill	0.316029
Clyde (North)	0.092990
Clyde (South)	0.107538
Corriemoillie	2.834257
Coryton	0.292862
Cruachan	1.523844
Crystal Rig	0.347728
Culligran	1.469615
Deanie	2.414367
Dersalloch	1.551461
Didcot	0.215154
Dinorwig	2.038433
Edinbane	5.805051
Ewe Hill	2.351184
Fallago	0.921448
Farr Windfarm	1.898463
Ffestiniogg	0.214882
Finlarig	0.271506
Foyers	0.647927
Glendoe	1.559692
Glenmoriston	1.119925

Substation	Local Circuit Tariff (£/kW)
Gordonbush	3.471641
Griffin Wind	2.716439
Hadyard Hill	2.456480
Harestanes	4.298391
Hartlepool	0.501224
Hedon	0.153662
Invergarry	-0.581974
Kilbraur	1.716958
Killingholme	0.462343
Kilmorack	0.145763
Langage	0.558254
Leiston	0.949384
Lochay	0.310292
Luichart	0.963647
Marchwood	0.323835
Margee	0.887781
Mark Hill	-0.742416
Millennium Wind	1.378502
Mossford	3.174368
Nant	-1.042073
Neilston	1.051057
Newfield	3.708713
Quoich	1.680574
Rocksavage	0.014980
Saltend South	0.288949
South Humber Bank	0.714896
Spalding	0.259617
Staycain Windfarm	1.292750
Teesside	0.060462
Ulzieside	3.828217
Whitelee	0.089990
Whitelee Extension	0.250172

The above tariffs reflect the cost of transmission circuits between the point of connection and the main interconnected transmission system.

Table 1.9

The following table provides the Local Circuit Generation TNUoS tariffs applicable to generation connecting to offshore transmission infrastructure from 1st April 2013:

Offshore Power Station	Local Circuit Tariff (£/kW)
Robin Rigg East	25.987914
Robin Rigg West	25.987914
Gunfleet Sands 1 & 2	13.630692
Barrow	35.892622
Ormonde	39.508687
Walney 1	36.451548
Walney 2	36.772688

Further local circuit tariffs applicable to generation connecting to offshore transmission infrastructure during 2013/14 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System STTEC and LDTEC Charges in 2012/13

Table 1.10

The following table provides the Short Term Transmission Entry Capacity (STTEC) and Limited Duration Transmission Entry Capacity (LDTEC) tariffs applicable to generators from 1st April 2013.

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Aberthaw	0.179440	0.013122	0.717760	0.897201	1.076641
Aigas	1.371409	0.100290	5.485637	6.857047	8.228456
An Suidhe	1.042343	0.076226	4.169372	5.211715	6.254059
Arecleoch	0.827975	0.060549	3.311899	4.139873	4.967848
Baglan Bay	0.194247	0.014205	0.776990	0.971237	1.165485
Barking	0.022230	0.001626	0.088920	0.111150	0.133380
Barrow	2.636971	0.192840	10.547885	13.184856	15.821827
Barry	0.153121	0.011198	0.612483	0.765604	0.918725
Black Law	0.727345	0.053190	2.909378	3.636723	4.364067
Brimsdown	0.022230	0.001626	0.088920	0.111150	0.133380
Carraig Gheal	0.981005	0.071740	3.924020	4.905025	5.886030
Clunie	1.140105	0.083375	4.560421	5.700526	6.840632
Clyde (North)	0.683891	0.050012	2.735562	3.419453	4.103343
Clyde (South)	0.684654	0.050068	2.738617	3.423272	4.107926
Cockenzie	0.686077	0.050172	2.744309	3.430387	4.116464
Connahs Quay	0.291373	0.021308	1.165490	1.456863	1.748236
Corby	0.128253	0.009379	0.513011	0.641264	0.769516
Coryton	0.034283	0.002507	0.137133	0.171416	0.205699
Cottam	0.291373	0.021308	1.165490	1.456863	1.748236
Cottam Development Centre	0.291373	0.021308	1.165490	1.456863	1.748236
Cowes	0.000000	0.000000	0.000000	0.000000	0.000000
Cruachan	0.950941	0.069542	3.803763	4.754703	5.705644
Crystal Rig	0.701011	0.051264	2.804044	3.505055	4.206066
Culligran	1.420588	0.103887	5.682354	7.102942	8.523531
Damhead Creek	0.018908	0.001383	0.075632	0.094540	0.113448
Deanie	1.470188	0.107514	5.880752	7.350940	8.821128
Deeside	0.291373	0.021308	1.165490	1.456863	1.748236
Derwent	0.000000	0.000000	0.000000	0.000000	0.000000
Didcot	0.000000	0.000000	0.000000	0.000000	0.000000
Didcot B	0.000000	0.000000	0.000000	0.000000	0.000000
Didcot GTs	0.000000	0.000000	0.000000	0.000000	0.000000
Dinorwig	0.507586	0.037119	2.030345	2.537931	3.045517
Drax	0.352171	0.025754	1.408683	1.760854	2.113024
Dungeness B	0.018908	0.001383	0.075632	0.094540	0.113448
Dunlaw Extension	0.682833	0.049935	2.731334	3.414167	4.097000
Edinbane Wind	1.901929	0.139087	7.607715	9.509643	11.411572
Eggborough	0.352171	0.025754	1.408683	1.760854	2.113024
Errochty	1.140105	0.083375	4.560421	5.700526	6.840632
Fallago	0.731131	0.053467	2.924525	3.655656	4.386788
Farr Windfarm	1.443103	0.105533	5.772412	7.215515	8.658618

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Fasnakyle G1 & G3	1.381650	0.101039	5.526599	6.908248	8.289898
Fawley	0.000000	0.000000	0.000000	0.000000	0.000000
Fawley CHP	0.000000	0.000000	0.000000	0.000000	0.000000
Ferrybridge B	0.359279	0.026274	1.437116	1.796395	2.155674
Ffestiniog	0.288556	0.021102	1.154224	1.442780	1.731335
Fiddlers Ferry	0.359279	0.026274	1.437116	1.796395	2.155674
Fife	1.354185	0.099031	5.416740	6.770925	8.125110
Finlarig	1.060078	0.077523	4.240311	5.300388	6.360466
Foyers	1.373625	0.100452	5.494500	6.868125	8.241750
Glandford Brigg	0.272162	0.019903	1.088647	1.360808	1.632970
Glendoe	1.463534	0.107027	5.854134	7.317668	8.781201
Glenmoriston	1.440446	0.105339	5.761783	7.202229	8.642675
Gordonbush	1.521870	0.111293	6.087480	7.609350	9.131220
Grain	0.029259	0.002140	0.117037	0.146296	0.175555
Grangemouth	0.861201	0.062979	3.444803	4.306004	5.167205
Great Yarmouth	0.128253	0.009379	0.513011	0.641264	0.769516
Greater Gabbard	0.178095	0.013024	0.712382	0.890477	1.068572
Griffin Wind Farm	1.293470	0.094590	5.173879	6.467348	7.760818
Gunfleet Sands I	1.623331	0.118713	6.493322	8.116653	9.739984
Gunfleet Sands II	1.623331	0.118713	6.493322	8.116653	9.739984
Gwynt y Mor	0.271062	0.019823	1.084248	1.355310	1.626371
Hadyard Hill	0.824253	0.060277	3.297012	4.121265	4.945518
Harestanes	0.815919	0.059668	3.263677	4.079596	4.895515
Hartlepool	0.492150	0.035991	1.968600	2.460751	2.952901
Heysham	0.411658	0.030104	1.646633	2.058291	2.469950
Hinkley Point B	0.000000	0.000000	0.000000	0.000000	0.000000
Hunterston	0.818999	0.059893	3.275997	4.094996	4.913995
Immingham	0.341819	0.024997	1.367278	1.709097	2.050916
Indian Queens	0.000000	0.000000	0.000000	0.000000	0.000000
Invergarry	1.351096	0.098805	5.404384	6.755480	8.106576
Ironbridge	0.137112	0.010027	0.548449	0.685562	0.822674
Keadby	0.281021	0.020551	1.124085	1.405106	1.686128
Kilbraur	1.429749	0.104556	5.718997	7.148746	8.578495
Killingholme (NP)	0.376444	0.027529	1.505775	1.882219	2.258662
Killingholme (Powergen)	0.376444	0.027529	1.505775	1.882219	2.258662
Kilmorack	1.351086	0.098804	5.404345	6.755431	8.106517
Kingsnorth	0.018908	0.001383	0.075632	0.094540	0.113448
Langage	0.000000	0.000000	0.000000	0.000000	0.000000
Lincs Wind Farm	0.183040	0.013386	0.732159	0.915198	1.098238
Little Barford	0.137112	0.010027	0.548449	0.685562	0.822674
Littlebrook D	0.018908	0.001383	0.075632	0.094540	0.113448
Lochay	1.062114	0.077672	4.248456	5.310570	6.372684
London Array	0.026640	0.001948	0.106559	0.133199	0.159839
Longannet	0.887520	0.064904	3.550080	4.437600	5.325120
Luichart	1.394025	0.101944	5.576101	6.970126	8.364151
Marchwood	0.000000	0.000000	0.000000	0.000000	0.000000
Mark Hill	0.781451	0.057147	3.125805	3.907257	4.688708

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Medway	0.029259	0.002140	0.117037	0.146296	0.175555
Millennium Wind	1.454021	0.106331	5.816084	7.270105	8.724126
Mossford	1.510088	0.110432	6.040352	7.550440	9.060528
Nant	0.926296	0.067739	3.705185	4.631481	5.557777
Oldbury-on-Severn	0.010972	0.000802	0.043890	0.054862	0.065834
Ormonde	3.580078	0.261808	14.320313	17.900391	21.480469
Orrin	1.343434	0.098244	5.373735	6.717168	8.060602
Pembroke	0.311433	0.022775	1.245731	1.557163	1.868596
Peterborough	0.183040	0.013386	0.732159	0.915198	1.098238
Peterhead	1.208926	0.088408	4.835706	6.044632	7.253559
Quoich	1.469880	0.107491	5.879519	7.349399	8.819279
Ratcliffe-on-Soar	0.147464	0.010784	0.589855	0.737318	0.884782
Robin Rigg East	1.925085	0.140780	7.700338	9.625423	11.550508
Robin Rigg West	1.925085	0.140780	7.700338	9.625423	11.550508
Rocksavage	0.276632	0.020230	1.106528	1.383160	1.659792
Roosecote	0.392447	0.028699	1.569789	1.962237	2.354684
Rugeley B	0.137112	0.010027	0.548449	0.685562	0.822674
Rye House	0.018908	0.001383	0.075632	0.094540	0.113448
Saltend	0.360311	0.026349	1.441245	1.801557	2.161868
Seabank	0.010894	0.000797	0.043577	0.054471	0.065366
Sellafield	0.392447	0.028699	1.569789	1.962237	2.354684
Severn Power	0.165303	0.012088	0.661210	0.826513	0.991815
Sheringham Shoal	0.128253	0.009379	0.513011	0.641264	0.769516
Shoreham	0.000000	0.000000	0.000000	0.000000	0.000000
Shotton	0.000000	0.000000	0.000000	0.000000	0.000000
Sizewell B	0.137112	0.010027	0.548449	0.685562	0.822674
Sloy G2 & G3	0.874764	0.063971	3.499054	4.373818	5.248582
South Humber Bank	0.379351	0.027742	1.517406	1.896757	2.276109
Spalding	0.205529	0.015030	0.822117	1.027646	1.233175
Staythorpe	0.291373	0.021308	1.165490	1.456863	1.748236
Sutton Bridge	0.191899	0.014033	0.767597	0.959496	1.151396
Taylors Lane	0.000000	0.000000	0.000000	0.000000	0.000000
Teesside	0.469010	0.034298	1.876040	2.345051	2.814061
Thanet	0.010048	0.000735	0.040193	0.050242	0.060290
Tilbury B	0.022230	0.001626	0.088920	0.111150	0.133380
Toddleburn	0.682833	0.049935	2.731334	3.414167	4.097000
Torness	0.682755	0.049929	2.731021	3.413776	4.096532
Uskmouth	0.172810	0.012637	0.691240	0.864049	1.036859
Walney I	3.267092	0.238920	13.068368	16.335460	19.602552
Walney II	3.276963	0.239642	13.107853	16.384816	19.661779
West Burton	0.291373	0.021308	1.165490	1.456863	1.748236
West Burton B	0.291373	0.021308	1.165490	1.456863	1.748236
Whitelee	0.825153	0.060343	3.300611	4.125763	4.950916
Whitelee Extension	0.833562	0.060958	3.334249	4.167811	5.001373
Wilton	0.469010	0.034298	1.876040	2.345051	2.814061
Wylfa	0.397834	0.029093	1.591337	1.989171	2.387005

The above tariffs apply to levels of STTEC or LDTEC access that is agreed during the charging year.

STTEC can be arranged in 4, 5, or 6 week blocks, with the tariff for applicable duration applying.

The LDTEC tariff is applied at two rates during the year. The higher LDTEC rate applies to the first 17 weeks of access within a charging year (whether consecutive or not), and the lower LDTEC rate applies to any subsequent access within the year.

Further LDTEC and STTEC tariffs applicable to generation connecting to offshore transmission infrastructure during 2013/14 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Pre-Asset Transfer Related Embedded Transmission Use of System Charges in 2013/14

Table 1.11

The following table provides the Pre-Asset Transfer Related Embedded Transmission Use of System (ETUoS) tariffs applicable to embedded transmission connected offshore generation from 1st April 2013. The relating charge is used to recover the element of the Offshore Transmission Operator's Revenue that relates to distribution charges paid during in the development of the offshore transmission network.

Offshore Power Station	Pre-Asset Transfer ETUoS Tariff (£/kW)
Robin Rigg East	8.054851
Robin Rigg West	8.054851
Gunfleet Sands 1 & 2	2.547655
Barrow	0.891263
Ormonde	0.314851
Walney 1	-
Walney 2	-

Please note that in addition to the charges listed above, any enduring distribution charges made to the NETSO will be passed through to the relating generator in the form of an ETUoS charge.

Further Pre-Asset Transfer Related ETUoS tariffs applicable to generation connecting to offshore transmission infrastructure during 2013/14 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Demand Charges (£/kW) and Energy Consumption Charges (p/kWh) for 2013/14

Table 1.12

The following table provides the Zonal Demand and Energy Consumption TNUoS tariffs applicable from 1st April 2013.

Demand Zone	Zone Area	Demand Tariff (£/kW)	Energy Consumption Tariff (p/kWh)
1	Northern Scotland	11.048877	1.515130
2	Southern Scotland	16.789820	2.362577
3	Northern	22.346537	3.079732
4	North West	25.184470	3.651462
5	Yorkshire	25.485035	3.508859
6	N Wales & Mersey	25.631093	3.665429
7	East Midlands	28.213308	3.956866
8	Midlands	29.201069	4.148986
9	Eastern	29.891866	4.153363
10	South Wales	27.541773	3.685374
11	South East	32.827362	4.564101
12	London	34.083066	4.601445
13	Southern	33.752057	4.741274
14	South Western	33.551731	4.598152

A demand User's zone will be determined by the GSP Group to which the User is deemed to be connected.

The Demand Tariff is applied to Demand User's average half-hourly metered demand over the three Triad periods, as described in the Statement of Use of Charging Methodology. Demand Tariffs are a combination of a locational element that reflects the cost of providing incremental capacity to demand on an area of the main integrated onshore transmission system, and a non-locational residual element which ensures that the appropriate amount of transmission revenue is recovered from demand Users. For 2013/14 the demand residual element to two decimal places is £25.41/kW.

In the case of parties liable for both generation and demand charges, the demand tariff zone applicable in respect of that party's demand will be that in which the Transmission Licensee's substation to which the party is connected is geographically located. For example, if a power station were connected at a Transmission Licensee's substation that is geographically located within demand zone 1, it would pay the zone 1 demand tariff.

The energy consumption tariff is based on the annual energy consumption during the period 16:00 hrs to 19:00 hrs (i.e. settlement periods 33 to 38 inclusive) over the relevant financial year.

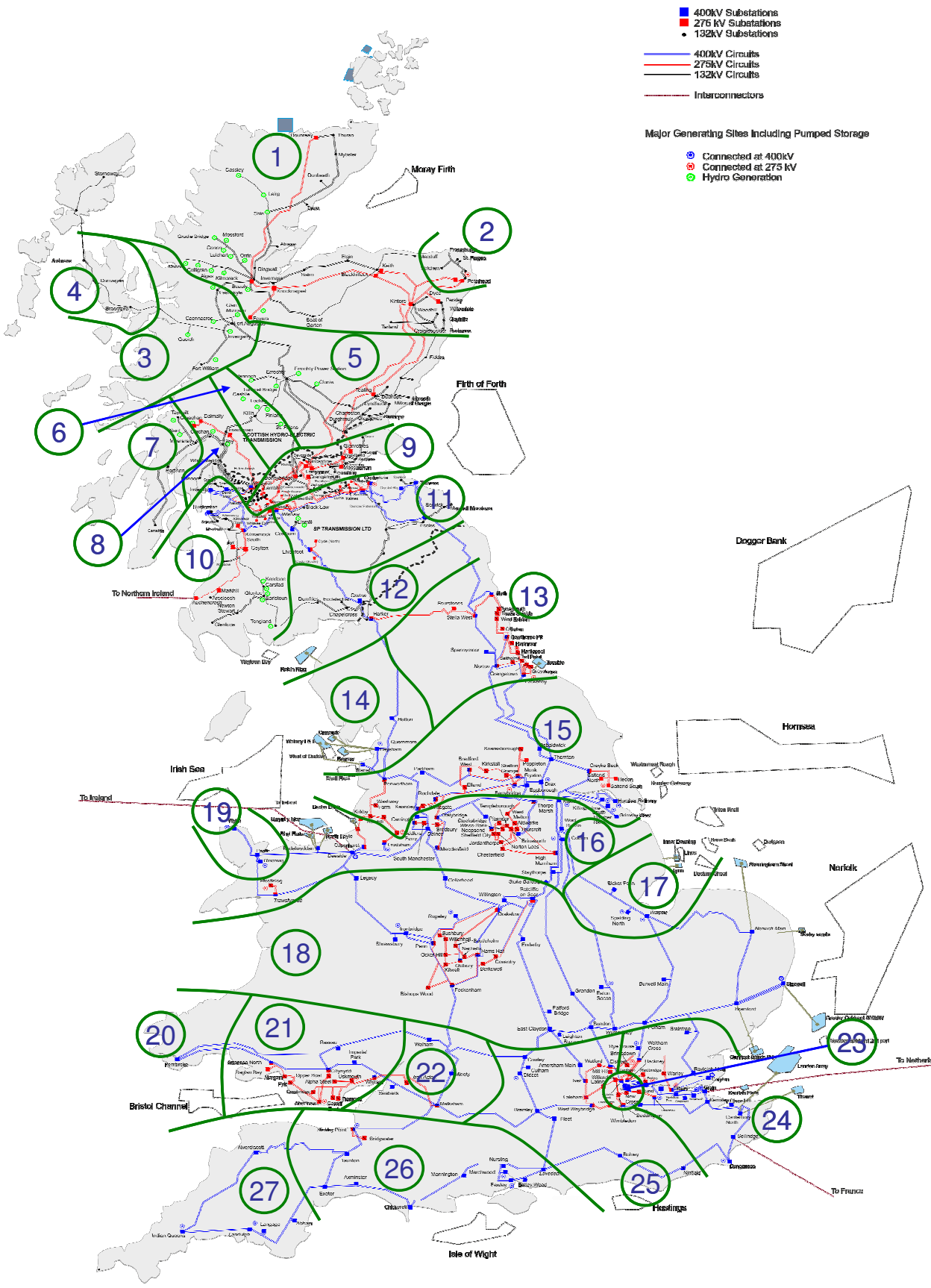
Small Generators Discount

In accordance with Standard Licence Condition C13 governing the adjustments to use of system charges for the small generators discount, a unit amount of £0.193724/kW to the demand tariff and 0.027027p/kWh to the energy consumption tariff has been included on a non-discriminatory and non-locational basis.

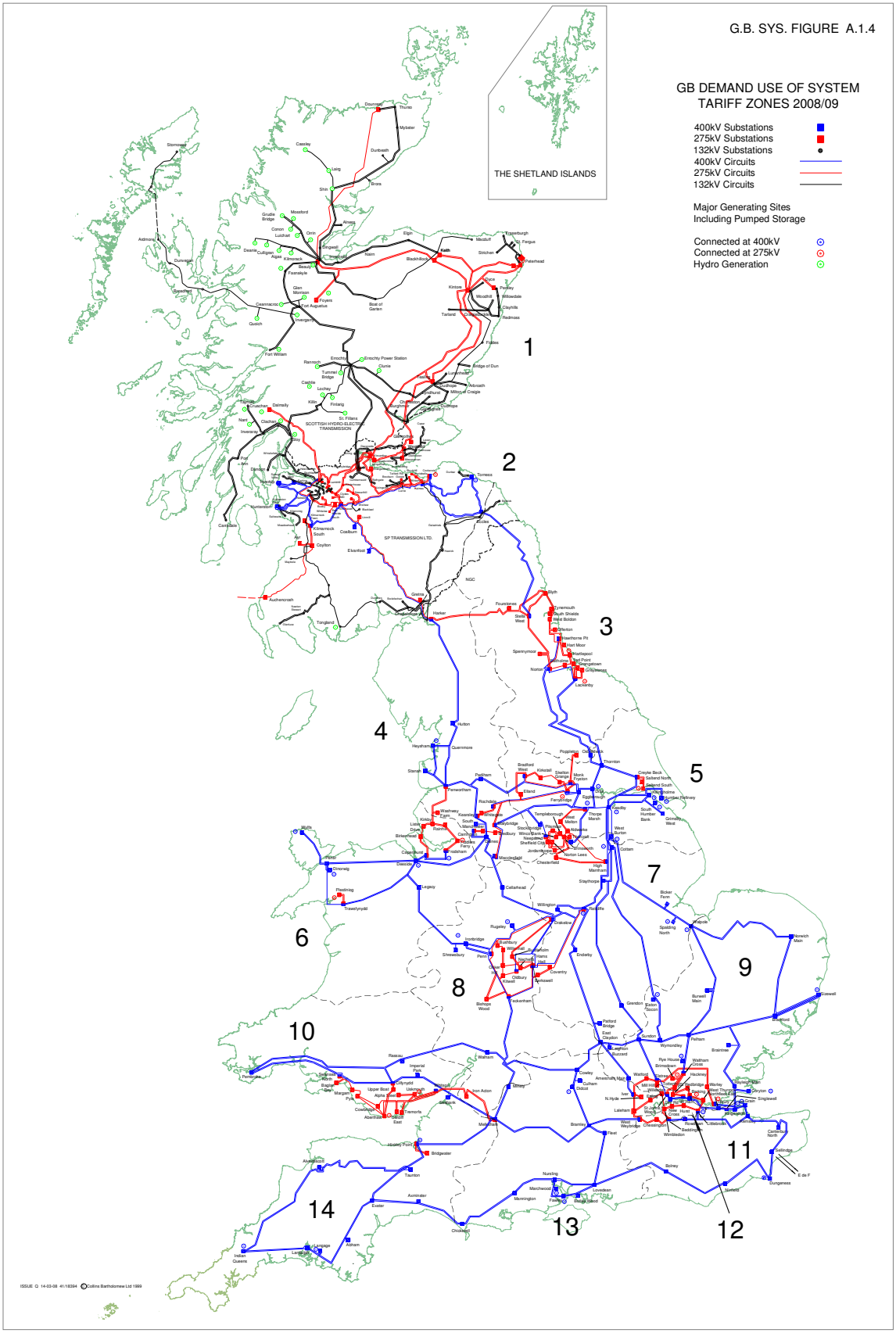
Standard Licence Condition C13 requires the small generators discount mechanism to be revenue neutral over the period of its operation so that the net effect on revenue of the licence condition is zero. It will therefore be necessary to manage any under or over recovery associated with the small generators discount separately from the under/over recovery mechanism within National Grid's main revenue restriction. National Grid calculates the unit amount added to the demand tariffs using a forecast of the total discount payable to eligible generators, and a forecast of the demand charging base. If either of these factors outturns differently from the original forecast then an under/over recovery would occur. The amount of any under/over recovery would be added to the revenue recovery used to derive the unit amount in subsequent years.

Zonal Maps applicable for 2013/14

Generation Use of System Tariff Zones (Geographical map as at 1 April 2013)



Demand Use of System Tariff Zones (Geographical map as at 1 April 2008)



Schedule 2

Detail of the External Incentive Scheme for the Balancing Services Use of System Charges for 2013/14

The Balancing Services Use of System (BSUoS) Charges for 2013/14 calculated in accordance with the methodology described in the Statement of Use of System Charging Methodology are made up of External BSUoS Charges and Internal BSUoS Charges. The External BSUoS Charges includes External Costs and an Incentive Scheme.
Included here are details of how the Incentive outlined in the Transmission Licence is accommodated into BSUoS Charges.

External Incentive Structure and Payments for 2013/14

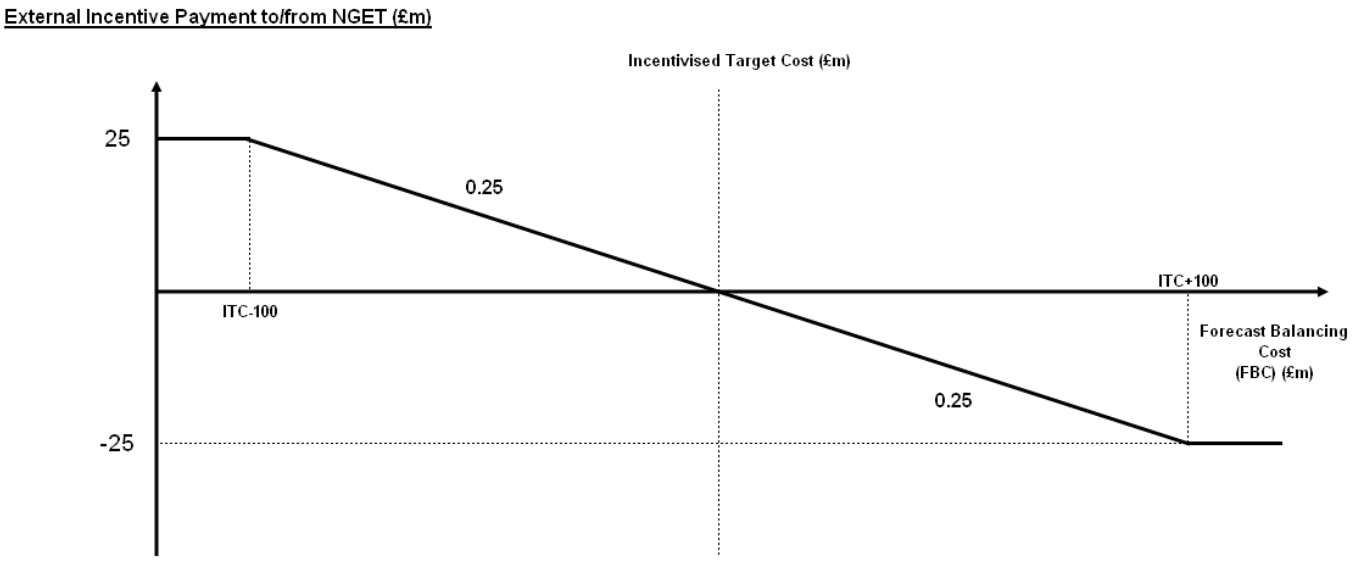
The forecast External incentive payment for the duration of the External incentive scheme ($FYIncpayEXT_d$) is calculated as the difference between the External Scheme target (M_t) and the forecast Balancing cost (FBC) subject to sharing factors (SF_t) and a cap/collar (CB_t).

$$FYIncpayEXT_d = SF_t * (M_t - FBC_d) + CB_t$$

The relevant value of the External incentive payment ($FYIncPayEXT_d$) is calculated by reference to the table below by the selection and application of the appropriate selection factors and offset dependent upon the value of the forecast Balancing Services cost (FBC) and the Incentive Target Cost (ITC).

Table 2.1: BSIS for 2013/14

Forecast Balancing Cost (FBC) £m	**M_t £m**	**SF_t £m**	**CB_t £m**
FBC < (Incentive Target Cost - 100)	0	0	25
(Incentive Target Cost -100) <= FBC < (Incentive Target Cost)	Incentive Target Cost	25%	0
Incentive Target Cost =FBC	FBC	0	0
(Incentive Target Cost) <= FBC < (Incentive Target Cost+100)	Incentive Target Cost	25%	0
FBC >= (Incentive Target Cost + 100)	0	0	-25



In respect of each Settlement Day d, the forecast incentivised Balancing Cost (FBC_d) will be calculated as follows:

$$FBC_d = \frac{\sum_{k=1}^{d} IBC_k}{\sum_{k=1}^{d} PFT_k} * NDS$$

Where:

NDS: Number of days in Scheme

The Daily Incentivised Balancing Cost for a Settlement Day (IBC_d) is calculated as follows:

$$IBC_d = \sum_{j \in d} CSOBM_{jd} + BSCCV_{jd} + BSCCA_d - OM_d - RT_d - BSFS_d$$

Wind Forecast Incentive (RFIIR)

The wind forecast incentive is an incentive scheme on the performance of National Grid with regards to its level of accuracy in forecasting the levels of wind generation on the system at the day ahead stage. The scheme allows a maximum monthly return of £250k at 0% error and a maximum monthly loss of £250k at double the accuracy target.

Schedule 3

Application Fees for Connection and Use of System Agreements

Application fees are payable in respect of applications for new connection agreements, certain use of system agreements and for modifications to existing agreements based on reasonable costs incurred by National Grid including where appropriate, charges from the Transmission Owners (TO's) in accordance with their charging statements. The application process and options available are set out in the Statement of the Use of System Charging Methodology and the Statement of the Connection Charging Methodology.

The application fee is dependent upon size, type and location of the applicant's scheme as shown on the map and tables on the next page. Users can opt for a variable price application and pay an advance of the Engineering Charges based on the fixed prices shown, which will be reconciled once the actual costs have been calculated using the charge out rates contained in Schedule 3. Alternatively, onshore Users can opt to pay a fixed price application fee in respect of New and Modified Bilateral Agreements. In some circumstances, where a given application is expected to involve significant costs over and above those normally expected (e.g. substantial system studies, special surveys, investigations, or where a Transmission Owner varies the application fee charged to National Grid from the standard fee published in their charging statements) to process an offer of terms, National Grid reserves the right to remove the option for a fixed price application fee.

The map divides GB into three zones based on the Boundary of Influence map defined in Schedule 4 of the STC (SO-TO Code). Zone A maps onto the area NGC South, Zone B maps to NGC North and SPT South, and Zone C maps to SPT North, SHETL South and SHETL North.

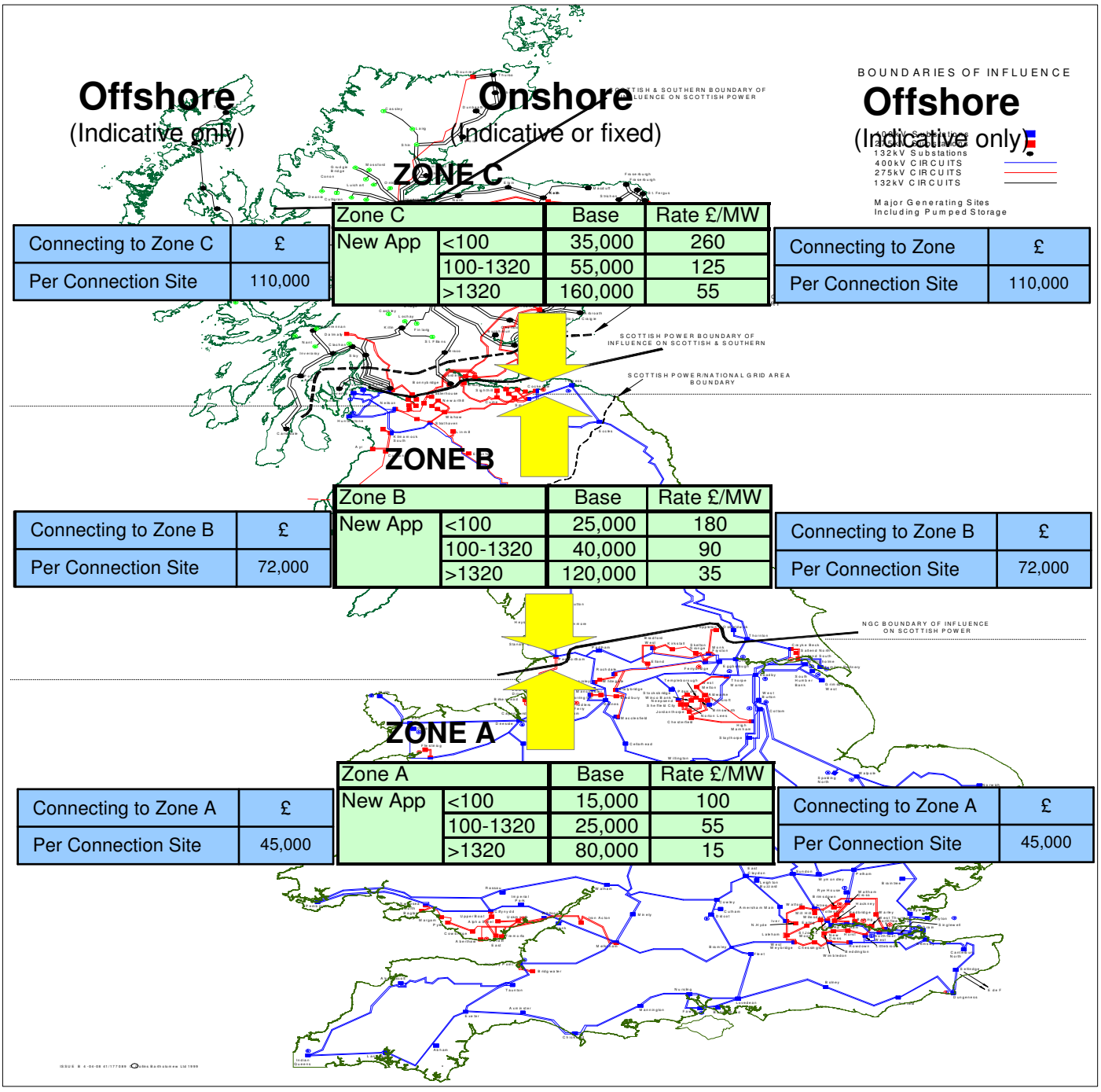
The application fees indicated will be reviewed on an annual basis and reflect any changes to the Boundaries of Influence. It should be noted that the zone to which a particular user is applying is determined by the location of the connection to the National Electricity Transmission System and not by the geographical location of the User's plant and equipment.

All application fees are subject to VAT and are capped at £400,000 + VAT

Reconciliation and Refunding of Application Fees for Connection and Use of System Agreements

Application Fees will be reconciled and / or refunded In accordance with Chapter 7 of The Statement of the Use of System Charging Methodology.

Entry Application Fees for New Bilateral Agreements



Zone C		Base	Rate £/MW
New App	<100	35,000	260
	100-1320	55,000	125
	>1320	160,000	55

Connecting to Zone C	£
Per Connection Site	110,000

Connecting to Zone	£
Per Connection Site	110,000

Zone B		Base	Rate £/MW
New App	<100	25,000	180
	100-1320	40,000	90
	>1320	120,000	35

Connecting to Zone B	£
Per Connection Site	72,000

Connecting to Zone B	£
Per Connection Site	72,000

Zone A		Base	Rate £/MW
New App	<100	15,000	100
	100-1320	25,000	55
	>1320	80,000	15

Connecting to Zone A	£
Per Connection Site	45,000

Connecting to Zone A	£
Per Connection Site	45,000

1. New Onshore Application Fee = Base + (MW * Rate)
2. TEC Increase[1] = Base + (TEC Increase * Rate)
3. New Offshore Application Fee = Number of offshore Connection Sites * Fee

[1] The base value and Rate used are the values associated with the change in TEC not the resulting total TEC being applied for.

Table 4.1

This table details the adjustments applicable for certain scenarios to be taken into consideration when calculating the value of an Entry Application Fee.

Other Entry Fees	**Fraction of New Application Fee**		
Modification Application (applicable for any change prior to completion excluding TEC increases and those options listed in this table)	0.75		
Request for Design Variation in addition to standard offer	1.5		
Embedded Generation New Application	0.3		
Embedded Generation Modification Application	0.2		
Entry Fees (cont.)	Zone A	Zone B	Zone C
TEC Exchange Request (no system works)	£10,000	£10,000	£17,000
Request for STTEC or SNSTF	£10,000		
Directly Connected Reactive Only Service Provider	£20,000	£21,000	£22,000
Suppliers and Interconnector Users	£5,000		
Assign, transfer or novate a bilateral agreement or minor admin changes	£3,000		

If applying for a combination of changes after making an initial application and this is prior to the completion of works associated to the initial application, such as a change to works or completion date that also includes a TEC Change, the Application Fee will be the higher of the TEC Change Fee or Modification Application Fee.

Table 4.2

Limited Duration TEC (LDTEC)		Duration of LDTEC (t)	Zone	£ (£'000)	Agreement Type (as Table C)
14	**Basic request fee for duration t** (applicable to all requests for LDTEC Offers)	t <= 3 months	All	10 + VAT	Bilateral Connection Agreement / BEGA
		3 months < t <= 6 months		15 + VAT	
		6 months < t <= 9 months		20 + VAT	
		t > 9 months		30 + VAT	
	Additional fee for rolling assessment (applicable to a request for an LDTEC Indicative Block Offer)	t <= 3 months		1 + VAT	
		3 months < t <= 6 months		1.5 + VAT	
		6 months < t <= 9 months		2 + VAT	
		t > 9 months		3 + VAT	
	Additional fee for combined applications (applicable to a combined request for an LDTEC Block Offer and an LDTEC Indicative Block Offer)	t <= 3 months		5 + VAT	
		3 months < t <= 6 months		7.5 + VAT	
		6 months < t <= 9 months		10 + VAT	
		t > 9 months		15 + VAT	

Table 4.3

Temporary TEC Exchange Rate Request Fees		Duration of Temporary Exchange period (t)	£
15	**Application fee for Temporary TEC Exchange Rate Requests**	t <= 3 months	15,000
		3 months < t <= 6 months	25,000
		6 months < t <= 9 months	30,000
		t > 9 months +	45,000

Exit Application Fees for New Bilateral Agreements and Modifications to existing Bilateral Agreements

Table 4.4

Exit Fees	Zone A	Zone B		Zone C	
		<100MW	>100MW	<100MW	>100MW
New Supply Point	£37,000	£41,000	£52,000	£38,000	£60,000
Modification Application	£28,000	£31,000	£39,000	£29,000	£45,000

Table 4.5

Exit Fees (cont.)	Zone A	Zone B	Zone C
Statement of Works at existing supply point	£2,750	£3,000	£1,000
Modification Application after Request for Statement of Works	£7,500	£8,500	£4,500
Complex Project Progression *	£15,000	£16,500	£17,200

* Complex fees apply where significant network assessment is identified at Statement of Works stage.

Examples

1. Entry Application Fee for a New Bilateral Agreement onshore
300MW Generator wishing to connect to the transmission system in Zone A
Application Fee = £25,000 + (300 * 55) = £41,500

2. Entry Application Fee for a New Bilateral Agreement offshore
2000MW Generator wishing to connect to the transmission system in Zone B.
Two Connection Sites

Application Fee = 2 * £72,000 = £144,000

3. Entry Application Fee for a Modification to an existing Bilateral Agreement
300MW Generator in Zone A seeking to alter commissioning date
This would be a Modification Application
Fee = 0.75 * (£25,000 + (300 * 55)) = £31,125

4. Entry Application Fee for an embedded generator (BEGA/ BELLA)
300MW embedded generator requesting a BEGA in Zone A
Fee = 0.3 * (£25,000 + (300 * 55)) = £12,450

5. Entry Application Fee for a TEC Increase
400MW generator in Zone A wishes to increase TEC by 20MW to 420MW
Application Fee = £15,000 + (20 * 100) = £17,000

6. Entry Application Fee for a change to completion date

500MW generator in Zone B wishes to change their completion date by moving it back by 12 months

Application Fee = 0.75 * (£40,000 + (500 * 90)) = £63,750

7. Entry Application Fee for a Decrease TEC

600MW generator in Zone C wishes to decrease TEC by 100MW to 500MW
Application Fee = 0.75 * (£55,000 + (100 * 125)) = £50,625

Table 4.6

Bilateral Agreement Types

Bilateral Agreement Type	Description
Bilateral Connection Agreement	In respect of Connection Sites of Users.
Bilateral Embedded Licence Exemptable Large Power Station Agreement (BELLA)	For generators that own or are responsible for embedded exemptable large power stations (another party may be responsible for the output under the CUSC and BSC).
Bilateral Embedded Generation Agreement (BEGA)	For generators and BSC parties with embedded power stations, excluding those which are exempt (unless they otherwise choose to be), who are responsible for the output onto a Distribution System.
Construction Agreement	In respect of parties that are applying for new or modified agreements up until the time of commissioning.

Table 4.7

Generator Types

The definitions provided below have been extracted from the Grid Code and are provided for ease of reference within this document.

Type of Plant	Definition
Embedded	Having a direct connection to a User System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Transmission Licensee (but with no other connection to the National Electricity Transmission System).
Small Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of less than 50MW, a Power Station in SPT's Transmission Area with a Registered Capacity of less than 30MW or a Power Station in SHE T's Transmission Area with a Registered Capacity of less than 10 MW.
Medium Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of 50MW or more, but less than 100MW.
Large Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of 100MW or more or a Power Station in SPT's Transmission Area with a Registered Capacity of 30 MW or more; or a Power Station in SHE T's Transmission Area with a Registered Capacity of 10 MW or more.

Schedule 4

Charge-Out Rates for Engineering Charges for Variable Price Applications

Appropriately qualified staff will be appointed to process applications and feasibility studies and carry out work in relation to the development of the National Electricity Transmission System. Travel, subsistence and computing costs will also be charged on an actual basis. It should be noted that these rates only apply to work carried out by the Transmission Licensee's in relation to licensed transmission activities. Different rates may apply when asked to quote for other work.

Table 5.1

	£/day		
	National Grid	**SPT**	**SHE T**
Section Manager Internal Solicitor	940	893	895
Principal Power System Engineer	745	748	750
Senior Power System Engineer Project Manager Account Manager Senior Wayleave Officer	605	624	625
Power System Design Engineer Draughtsman	480	498	500
Graduate Engineer	405	418	420
Administrative Support	325	330	330

Schedule 5

Non-Capital Components applicable for Maintenance and Transmission Running Costs in Connection Charges for 2013/14

The non-capital component of the connection charge is divided into two parts, as set out below.

Part A: Site Specific Maintenance Charges

Site-specific maintenance charges will be calculated each year based on the forecast total site specific maintenance for GB divided by the total GAV of the transmission licensees GB connection assets, to arrive at a percentage of total GAV. For 2013/14 this will be 0.37%.

Part B: Transmission Running Costs

The Transmission Running Cost (TRC) factor is calculated at the beginning of each price control to reflect the appropriate amount of other Transmission Running Costs (rates, operation, indirect overheads) incurred by the transmission licensees that should be attributed to connection assets.

The TRC factor is calculated by taking a proportion of the forecast Transmission Running Costs for the transmission licensees (based on operational expenditure figures from the latest price control) that corresponds with the proportion of the transmission licensees' total connection assets as a function of their total business GAV. This cost factor is therefore expressed as a percentage of an asset's GAV and will be fixed for the entirety of the price control period. For 2013/14 this will be 1.47%.

To illustrate the calculation, the following example uses the average operating expenditure from the published price control and the connection assets of each transmission licensee expressed as a percentage of their total system GAV to arrive at a GB TRC of 1.47%:

Example:

Connection assets as a percentage of total system GAV for each TO:

Scottish Power Transmission Ltd	18.6%
Scottish Hydro Transmission Ltd	7.5%
National Grid	16.3%

Published current price control average annual operating expenditure (£m):

Scottish Power Transmission Ltd	43.4
Scottish Hydro Transmission Ltd	33.1
National Grid	317.1

Total GB Connection GAV = £3.38bn
GB TRC Factor = (18.6% x £43.4m + 7.5% x £33.1m + 16.3% x £317.1m) / £3.38bn
GB TRC Factor = 1.84%
Net GB TRC Factor = Gross GB TRC Factor – Site Specific Maintenance Factor*

Net GB TRC Factor = 1.84% - 0.37% = 1.47%

* Note – the Site Specific Maintenance Factor used to calculate the TRC Factor is that which applies for the first year of the price control period or in this example, is the 2013/14 Site Specific Maintenance Factor of 0.37%.

Illustrative Connection Asset Charges

An indication of First Year Connection Asset Charges for new connection assets using estimates of Gross Asset Values are outlined in Appendix 1. Additional examples of connection charge calculations are included in Appendix 2 of this Statement to provide some general illustrations of how connection charge calculations are applied.

Appendix 1: Illustrative Connection Asset Charges

2013/14 First Year Connection Charges based on the RPI Method (6% rate of return)

The following table provides an indication of typical charges for new connection assets. Before using the table, it is important to read through the notes below as they explain the assumptions used in calculating the figures.

Calculation of Gross Asset Value (GAV)

The GAV figures in the following table were calculated using the following assumptions:

- Each asset is new
- The GAV includes estimated costs of construction, engineering, Interest During Construction and Liquidated Damages premiums

For details of the Calculation of the Gross Asset Value, see Chapter 2 of The Statement of the Connection Charging Methodology (Section 14 Part I of the Connection and Use of System Code).

Calculation of first year connection charge

The first year connection charges in the following table were calculated using the following assumptions:

- The assets are new
- The assets are depreciated over 40 years
- The rate of return is assumed to be 6% for RPI indexation
- The connection charges include maintenance costs at the 2013/14 rate of 0.37% of the GAV
- The connection charges include Transmission Running Costs at the 2013/14 rate of 1.47% of the GAV

For details of the Basic Annual Connection Charge Formula, see Chapter 2 of The Statement of the Connection Charging Methodology (Section 14 Part I of the Connection and Use of System Code).

Please note that the actual charges will depend on the specific assets at a site. Charges applicable to specific works will be detailed in the User's Bilateral Connection Agreement. Agreement specific GAVs and NAVs for each User will be made available on request.

Notes on Assets

The charges for Double and Single Busbar Bays include electrical and civil costs.

Transformer cable ratings are based on winter soil conditions.

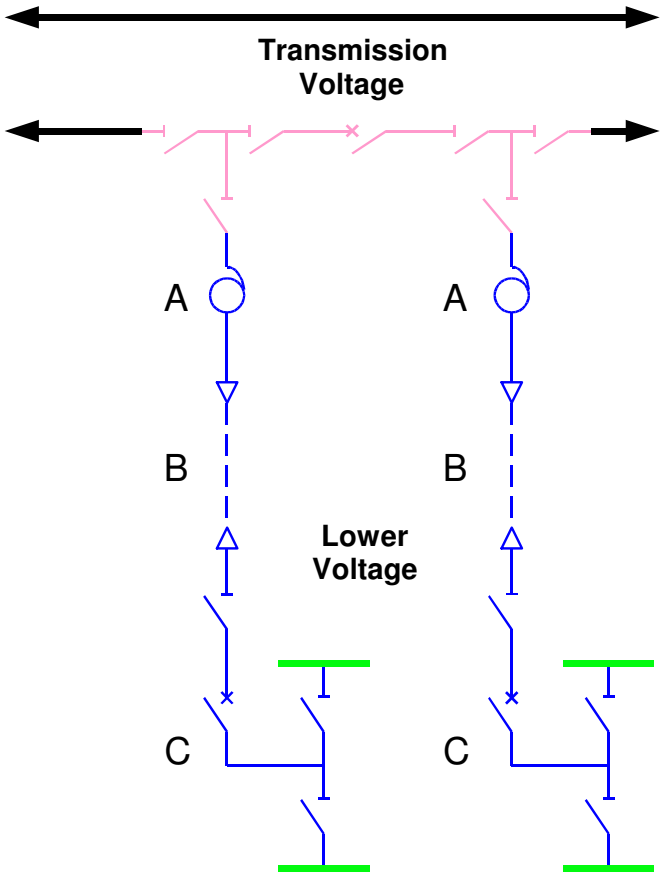
In this example, transformer charges include civil costs of plinth and noise enclosure and estimated transport costs, but not costs of oil dump tank and fire trap moat. Transport costs do not include hiring heavy load sea transportation or roll-on roll-off ships.

	£000's					
	400kV		275kV		132kV	
	GAV	Charge	GAV	Charge	GAV	Charge
Double Busbar Bay	2490	259	2040	212	680	71
Single Busbar Bay	1980	206			500	52
Transformer Cables 100m (incl. Cable sealing ends)						
120MVA			1080	112	350	36
180MVA	1650	171	1080	112	360	37
240MVA	1690	176	1090	113	390	41
750MVA	1710	178	1260	131		
Transformers						
45MVA 132/66kV					1219	127
90MVA 132/33kV					1173	122
120MVA 275/33kV			2617	272		
180MVA 275/66kV			2688	279		
180MVA 275/132kV			2760	287		
240MVA 275/132kV			2832	294		
240MVA 400/132kV	3626	377				

Connection Examples

Example 1

NEW SUPERGRID CONNECTION
SINGLE SWITCH MESH TYPE



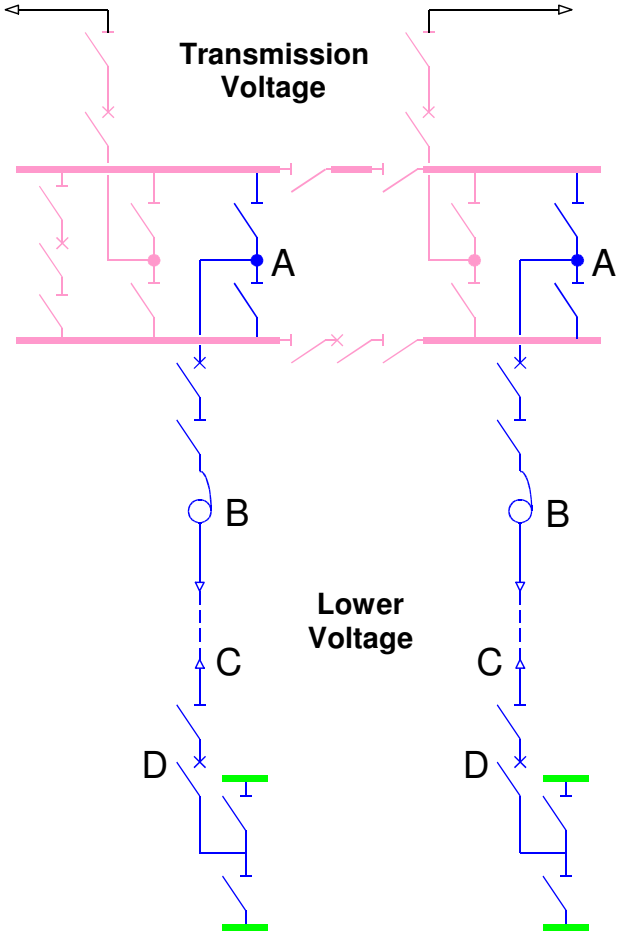
KEY:

- Existing Transmission Assets (infrastructure)
- New Transmission Assets (infrastructure)
- New connection assets wholly charged to customer
- Customer Assets

SCHEDULE FOR NEW CONNECTION				
	275/132kV		**400/132kV**	
Ref	Description	First Year Charges (£000s)	Description	First Year Charges (£000s)
A	2 x 180MVA Transformers	574	2 x 240MVA Transformers	754
B	2 x 100m 180MVA Cables	74	2 x 100m 240MVA Cables	82
C	2 x 132kV Double Busbar Transformer Bays	142	2 x 132kV Double Busbar Transformer Bays	142
	Total	**790**	**Total**	**978**

Example 2

NEW SUPERGRID CONNECTION DOUBLE BUSBAR TYPE



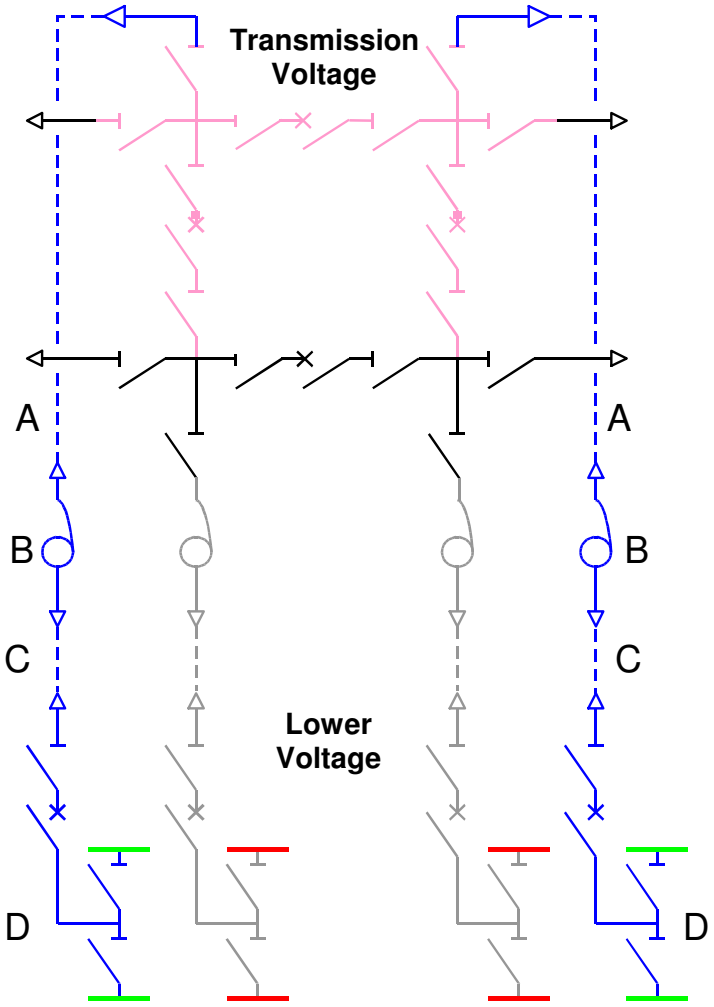
KEY:

- Existing Transmission Assets (infrastructure)
- New Transmission Assets (infrastructure)
- New connection assets wholly charged to customer
- Customer Assets

SCHEDULE FOR NEW CONNECTION				
	275/132kV		**400/132kV**	
Ref	Description	First Year Charges (£000s)	Description	First Year Charges (£000s)
A	2 x 275kV Double Busbar Transformer Bays	424	2 x 400kV Double Busbar Transformer Bays	518
B	2 x 180MVA Transformers	574	2 x 240MVA Transformers	754
C	2 x 100m 180MVA Cables	74	2 x 100m 240MVA Cables	82
D	2 x 132kV Double Busbar Transformer Bays	142	2 x 132kV Double Busbar Transformer Bays	142
	Total	**1214**	**Total**	**1496**

Example 3

EXTENSION OF SINGLE SWITCH MESH TO FOUR SWITCH MESH (extension to single user site)



KEY:

- Existing Transmission Assets (infrastructure)
- New Transmission Assets (infrastructure)
- New connection assets wholly charged to customer
- Existing connection assets wholly charged to another user
- Customer Assets
- Other Users Assets

SCHEDULE FOR NEW CONNECTION				
	275/132kV		400/132kV	
Ref	Description	First Year Charges (£000s)	Description	First Year Charges (£000s)
A	2 x 100m 180MVA Cables	224	2 x 100m 240MVA Cables	352
B	2 x 180MVA Transformers	574	2 x 240MVA Transformers	754
C	2 x 100m 180MVA Cables	74	2 x 100m 240MVA Cables	82
D	2 x 132kV Double Busbar Transformer Bays	142	2 x 132kV Double Busbar Transformer Bays	142
	Total	**1014**	**Total**	**1330**

Appendix 2: Examples of Connection Charge Calculations

The following examples of connection charge calculations are intended as general illustrations.

Example 1

This example illustrates the method of calculating the first year connection charge for a given asset value. This method of calculation is applicable to indicative price agreements for new connections, utilising the RPI method of charging, and assuming:

i) the asset is commissioned on 1 April 2013
ii) there is no inflation from year to year i.e. GAV remains constant
iii) the site specific maintenance charge component remains constant throughout the 40 years at 0.37% of GAV
iv) the Transmission Running Cost component remains constant throughout the 40 years at 1.47% of GAV
v) the asset is depreciated over 40 years
vi) the rate of return charge remains constant at 6% for the 40 year life of the asset
vii) the asset is terminated at the end of its 40 year life

For the purpose of this example, the asset on which charges are based has a Gross Asset Value of £3,000,000 on 1 April 2013.

Charge	Calculation	
Site Specific Maintenance Charge (0.37% of GAV)	3,000,000 x 0.37%	£11,100
Transmission Running Cost (1.47% of GAV)	3,000,000 x 1.47%	£44,100
Capital charge (40 year depreciation 2.5% of GAV)	3,000,000 x 2.5%	£75,000
Return on mid-year NAV (6%)	2,962,500 x 6%	£177,750
TOTAL		£307,950

The first year charge of £307,950 would reduce in subsequent years as the NAV of the asset is reduced on a straight-line basis, assuming a zero rate of inflation.

This gives the following annual charges over time (assuming no inflation):

Year	Charge
1	£307,950
2	£303,450
10	£267,450
40	£132,450

Based on this example, charges of this form would be payable until 31 March 2053.

Example 2

The previous example assumes that the asset is commissioned on 1 April 2013. If it is assumed that the asset is commissioned on 1 July 2013, the first year charge would equal 9/12th of the first year annual connection charge i.e. £230,962.50

This gives the following annual charges over time:

Year	Charge
1	£230,962 (connection charge for period July 2013 to March 2014)
2	£303,450
10	£267,450
40	£132,450

Example 3

In the case of a firm price agreement, there will be two elements in the connection charge, a finance component and a running cost component. These encompass the four elements set out in the examples above. Using exactly the same assumptions as those in example 1 above, the total annual connection charges will be the same as those presented. These charges will not change as a result of the adoption of a different charging methodology by National Grid, providing that the connection boundary does not change.

Example 4

If a User has chosen a 20-year depreciation period for their Post Vesting connection assets and subsequently remains connected at the site beyond the twentieth year their charges are calculated as follows.

For years 21-40 they will pay a connection charge based on the following formula:

Annual Connection Charge$_n$ = SSF$_n$ (RPIGAV$_n$)+ TC$_n$ (GAV$_n$)

The NAV will be zero and the asset will be fully depreciated so there will be no rate of return or depreciation element to the charge.

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