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Electricity Charging & Access Development
National Grid Electricity Transmission plc
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Dear Tom,

GB ECM 007 Adjustment of the Seven Year Statement Transmission Entry Capacity Data for Calculating 2007/08 TNUoS Tariffs

Thank you for the opportunity to respond to this consultation. This response is submitted on behalf of ScottishPower Energy Wholesale, which includes the UK energy businesses of ScottishPower, namely ScottishPower Energy Management Ltd, ScottishPower Generation Ltd and ScottishPower Energy Retail Ltd.

ScottishPower agrees that charges for transmission access should be cost reflective and this should include using the most accurate and timely information available in the calculation of charges.

We do not however believe that it is appropriate to amend the cut-off date for information used to set the 2007/08 tariffs from 31 October 2006 to an arbitrarily decided new deadline of 23 December 2006 after both dates have passed. There will inevitably be other changes in addition to those highlighted which other parties could have submitted had they known of a change to the cut-off date.

This proposed modification thus discriminates in favour of incorporating the data submitted by 3 generating sites and against others who may have chosen to commence or accelerate modification negotiations had they known that a new cut-off date was available.

Further, the intention to curtail the consultation period to 11 days from the agreed timescale of 28 days does not allow adequate time for consultation within the industry of such a material modification.

Finally, the impact of the proposed charging modification highlights the arbitrary and volatile nature of the zonal element of the Charging Methodology and dismisses any argument that such a methodology can provide consistent, long-term economic signals for the location of generating plant. This is evident from the significant impact on both zonal

boundaries and transmission charges arising from minor changes in the timing of construction of relatively small generating sites.

The draft 2007/08 TNUoS Tariffs published on 22 December have been calculated in accordance with the published Charging Methodology and the data used therein should therefore be used as the basis of the actual TNUoS charges for 2007/08. Discussion on any proposed change to the enduring Charging Methodology should be discussed properly in accordance with the agreed Modification Process with a view to incorporation in the 2008/09 charges.

I hope you find these comments useful. Should you have any queries on the points raised, please feel free to contact us.

Yours sincerely,

James Anderson
Commercial & Regulation