

## Questionnaire

### About your organisation

Name of respondent	Ben Sheehy
Company	E.ON UK
Responding on behalf of	E.ON UK

### Existing charging arrangements for site-specific maintenance

1. Charges for site-specific maintenance presently account for about 8 per cent of revenue collected from connection charges and around 1 per cent of the total revenue collected through infrastructure charges. The annual average charge for site-specific maintenance is £30k per connection site.

To what extent do you support the following statements?

- a. The existing connection charging methodology is sufficiently cost reflective to not justify developing cost-capture systems to further enhance the cost reflectiveness of the site-specific maintenance component of the connection charge.

Agree		Neutral	<b>X</b>	Disagree	
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- b. The present arrangements for charging for site-specific maintenance costs do not discriminate between Users or classes of User.

Agree		Neutral	<b>X</b>	Disagree	
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- c. The current methodology for recovering the costs associated with site-specific maintenance is proportionate to the level of these costs.

Agree	<b>X</b>	Neutral		Disagree	
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- d. The existing charging methodology for recovering site-specific maintenance costs is proportionate to the current contestability arrangements.

Agree	<b>X</b>	Neutral		Disagree	
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Please add any justification you feel appropriate for your choices above.

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**Relative merits of reforming the contestability arrangements**

2. Do you believe the benefits to your organisation of contestable maintenance are:

Significant		Limited		None	<b>X</b>	Negative	
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If you have answered "significant" or "negative" benefit, please elaborate:

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3. If you answered "significant" or "limited" benefit in 2 above, to what extent do you believe these benefits outweigh the perceived liabilities and risks associated with assuming responsibility for site-specific maintenance:

More benefit		Similar		More liabilities	
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4. Given your views on the balance between the benefits and liabilities, and the magnitude of your site-specific maintenance charges, do you believe the site-specific maintenance charging arrangements should be changed at the present time?

Yes		No	<b>X</b>	Balanced	
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5. In order to best facilitate contestable maintenance site-specific maintenance charges should ideally be based on actual costs incurred. This requires new systems and frameworks to capture, process, communicate and report individual maintenance costs on an asset-specific basis, and convert them into maintenance charges for each User on a site-by-site basis. To implement these arrangements on a GB basis is likely to give rise to additional one-off and ongoing costs for TOs and the GBSO, including the development of suitable contractual frameworks and cost-capture systems.

Do you believe the potential benefits of contestability are such that systems should be developed by the transmission licensees to capture costs on a site, user and asset specific basis?

Yes		No	<b>X</b>	Balanced		Don't know	
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**Options for changing site-specific maintenance charges**

6. Similar systems and processes would also be required to implement "pass-through" arrangements for site-specific maintenance costs.

If these systems were not implemented, to what extent would you support any of the following options:

- a. Absorb site-specific maintenance costs within the transmission running cost factor (which would result in a connection GAV-related non-locational charge) set for the duration of the price control period:

Support		Neutral	<b>X</b>	Against	
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- b. Absorb within the transmission running cost factor, as in (a) above, but determine this factor on an annual basis:

Support		Neutral	<b>X</b>	Against	
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- c. Introduce regional site-specific maintenance factors for each TO area:

Support		Neutral		Against	<b>X</b>
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- d. Maintain the status quo for the time being and keep the methodology under constant review in accordance with the requirement of National Grid's Transmission Licence:

Support	<b>X</b>	Neutral		Against	
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Please add any justification you feel appropriate for your choices above.

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### **Other comments**

7. Please provide any further comments you have on the charging arrangements for site-specific maintenance.

<p>Given the small scale of SSM charges, compared with other charges paid by connection sites, the benefits of cost capture are unlikely to merit the costs of developing new contracts and systems. It is therefore preferable that SSM charges are administered efficiently.</p>
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