

CAP156 - Reactive Power Default Payment Rate – Use of Spectron Power Index

*CUSC Panel
27th July 2007*

Defect and Proposed solution

- ◆ From the 17th June 2007, Spectron no longer publish the cumulative over the counter power index
- ◆ This index is required to calculate the monthly reactive default payment rate as specified in Schedule 3 of the CUSC
- ◆ Schedule 3 makes allowances for unavailable information but not on an ongoing basis and Spectron have confirmed that this will no longer be published
- ◆ Therefore it is proposed to Amend Schedule 3, Appendix 1 part 3.1 and 3.2 of the CUSC to remove the Spectron cumulative over the counter power index from the calculation of the reactive default payment rate

Applicable Objectives and Recommendation

Objectives

- ◆ CAP156 better facilitates CUSC Applicable Objectives (a) by ensuring the reactive default payment rate is calculated using *published* index information which is currently available.
- ◆ It would also better meet the objectives of CAP45 (Cost Reflective Reactive Power Default Payment Rate Indexation) which derived the 50% weighting of the monthly wholesale power price index using *published* indices.

Recommendation

- ◆ National Grid recommends that CAP156 should proceed to Consultation, for a period of 4 weeks