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Dear Tom

**Response to the Consultation Document GB ECM-06
For the charging and access arrangements associated with SQSS design variations
based on customer requests**

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

Option 1 - Status Quo

The present charging methodology does not incentivise a user to apply for the most economically efficient connection solution. A connection to a standard lower than GB SQSS bears a greater risk of interruption that should be reflected in reduced TNUoS charges.

We note National Grid's acceptance that any proposal for change should be applicable to the whole GB system and, in particular, applied to existing connections where availability restrictions are applied due to transmission design decisions taken under the previous "deeper" connection charging methodology.

National Grid noted that in the responses to the pre-consultation the majority of respondents were in favour of amending the Use of System Charging Methodology. ScottishPower support this approach as it offers choice to the connecting user to select the appropriate level of security incentivised by a reduction in charges.

Option 2 – SQSS Modification

While the Transmission Licensee is best placed to quantify the extent and probability of access restrictions arising from a single circuit connection, the connectee has the responsibility for evaluating the economic impact of such restrictions upon his business model including the valuation of lost revenues. It is therefore appropriate that the choice of

whether to proceed with a single circuit connection should remain with the connecting generator.

Option 3 – Deeper Connection Boundary

A return to a deeper connection boundary would make connection design decisions directly cost reflective to the user but would bring many disadvantages. Principally, deeper connection increases the uncertainty to the user should future connections result in an upgrade to the circuit.

Option 4 - TNUoS Methodology Change

The consultation document states that there was considerable support for the option to change the TNUoS methodology. ScottishPower supports this approach as it is transparent and embedded within the charging methodology.

The removal of the £1/kW tolerance from the pre-consultation paper makes the discount available to smaller schemes. We consider the use of a 2km de-minimis circuit length to be more appropriate. However, it is not clear that the proposed discounts will provide sufficient incentive in all but the longest connections for generators to connect on a single circuit.

The issue of removal of the discount from a generator where the connection of a second generator results in upgrading to a double circuit remains problematic and it is not clear how the issue of the original generator being forced to pay for an upgrade which was not requested can be reconciled with the discrimination arising should the discount continue once the circuit is upgraded. In many cases the resultant uncertainty may act as a disincentive to elect for single circuit connections.

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 and Regulation