

Tom Ireland
Electricity Charging & Access Development
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

31st October 2006

Dear Tom

British Energy response to consultation document for the charging arrangements associated with SQSS design variations based on customer requests

This response is made by British Energy Group plc. British Energy is the UK's largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power Station (a large coal plant with two units fitted with FGD) and four small embedded gas generator sites. British Energy is also a large supplier selling exclusively to Industrial and Commercial customers. British Energy Direct accounts for around 30TWh of the UK supply. British Energy welcomes the opportunity to respond to the above consultation.

Key Points:

- **We agree with National Grid's conclusions of the pre-consultation that the option to amend the TNUoS methodology provides the optimal balance between complexity and cost reflectivity.**
- **We agree that the most cost reflective signal is provided by applying the circuit element of the discount where a user is connected to a single circuit connection of 2km or more.**
- **The proposed discount mechanism has much greater transparency than the initial proposals.**

The less complex discount calculation should enable the user to perform a cost benefit analysis resulting in efficient transmission investment. However, in order to perform a cost benefit analysis, a prospective user would require an indicative maintenance schedule for work done on a single circuit, probabilities of faults occurring on a single circuit and a TNUoS tariff for a standard double circuit connection. In most cases the transport and tariff model would allow the user to calculate an indicative tariff but it may prove too complex in the case of offshore connections where a new zone is possibly created and expansion factors are not known. Would National Grid be able to provide this type of information or is it up to the user to derive their own source of information?

**British Energy Group plc Barnett Way Barnwood Gloucester GL4 3RS
Telephone 01452 652222 Facsimile 01452 653715**

Registered Office: Systems House, Alba Campus, Livingston EH54 7EG
Registered in Scotland No. 270184 VAT Number 671 0076 58

Section 2.23 of Appendix 2 in the consultation document refers to the calculation of the substation discount. I believe that it should refer to the circuit discount as follows:

2.23. The circuit discount can be calculated by:

$$\text{Circuit discount (£/kW)} = L_{SC} \times EF \times EC \times 0.001$$

Where

L_{SC} = Length of single circuit (km)
EF = Expansion factor
EC = Expansion constant

For clarity purposes, it may also be useful to include the derivation of the circuit discount in the charging methodology.

I trust this response is helpful but please feel free to contact me directly should you need clarification on any of the points made.

Yours sincerely



Louise Allport
Transmission and Trading Arrangements
British Energy Power and Energy Trading
01452 652187
louise.allport@british-energy.com