

Condition 5 – Publication of long-term tariffs

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Condition 5

The Authority requests National Grid to publish information at least once a year on the forecast future (at least five years) path of tariffs under a range of credible scenarios (consistent with those already contained in the Seven Year Statement) as soon as practicable and no later than April 2006.

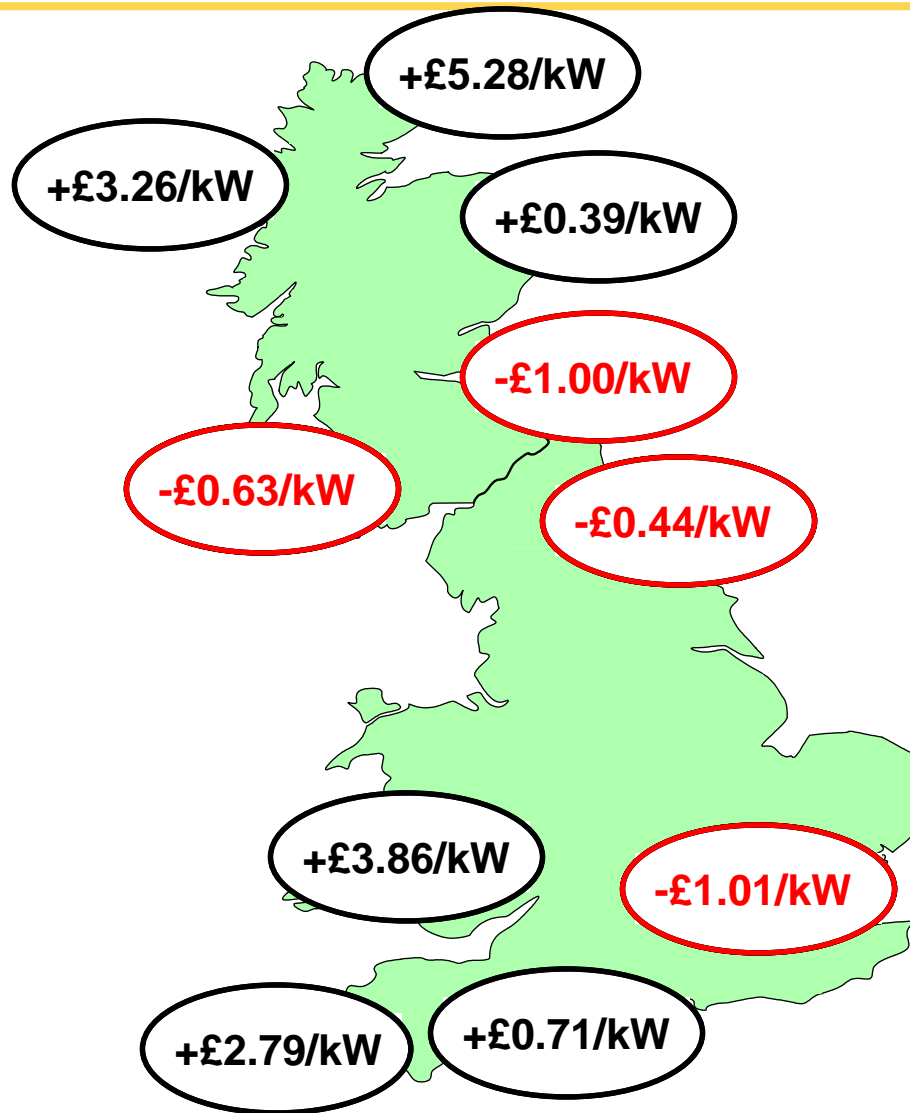
Agenda

- ◆ Opportunity to comment on information paper
 - Baseline analysis assumptions
 - Baseline generation tariff paths
 - Baseline demand tariff paths
 - 2006/7 zoning issues
 - Future zoning issues
- ◆ Next Steps

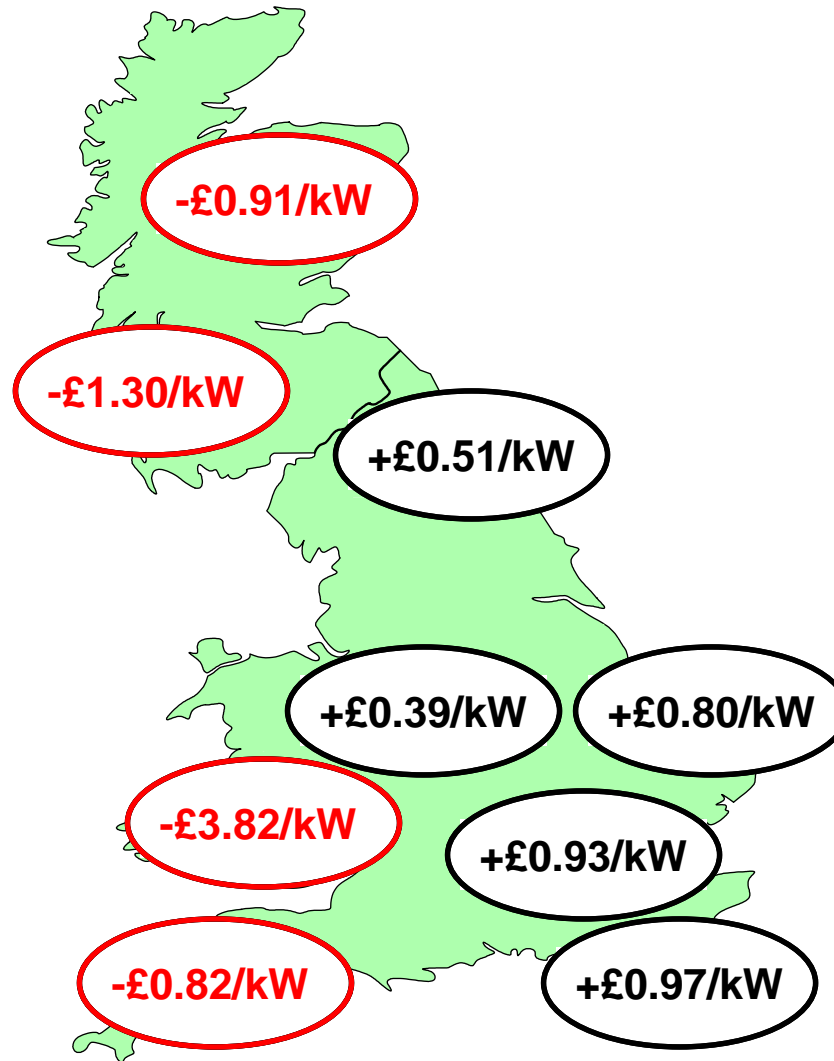
Baseline analysis

- ◆ 2005/6 TNUoS charging methodology
- ◆ GB SYS data – August 2005 update
 - Contracted position
 - Does not include indicative wider system developments
- ◆ Locational element of tariff only
- ◆ Reference node = SJOW40
- ◆ Expansion constant = 10.076243
- ◆ Global locational security factor = 1.8

Baseline generation tariffs



Baseline demand tariffs



2006/7 zoning issues

- ◆ Zone 3, Skye
 - Zero generation
 - Maintain current zones
- ◆ Zone 6, Cruachan
 - Updated circuit data
 - Could be incorporated into Zone 7, Argyle
 - Current zones cost-reflective
 - Maintain current zones

Future zoning issues

- ◆ Generation zones typically reviewed at the beginning of each price control period
- ◆ Zones can be changed in exceptional circumstances
- ◆ Exceptional circumstances identified in the report:
 - Commissioning of new generation
 - De-commissioning of generation
 - Nodes at the extremities of zones

Next steps

- ◆ Publication of DCLF transport model data
- ◆ Responses to 2005 information paper
 - Timing
 - Content
 - Format
- ◆ 2006 information paper
 - Early indication of 2007/8 re-zoning issues
- ◆ 2007/11 re-zoning consultation
 - Late 2006

Questions?
