

Issue	Revision
1	0

The Statement of Use of System Charges

Effective From 01 April 2005

Based Upon: The Statement of the
Use of System Charging Methodology

nationalgrid

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Introduction

This statement is published in accordance with the Transmission Licence of National Grid Electricity Transmission plc (National Grid).

This document sets out the annual tariffs for Transmission Network Use of System charges and fees charged by National Grid in relation to applications for connection, use of system and engineering works.

Further information on the methods by which and principles upon which National Grid derives Use of System charges is set out in the **Statement of the Use of System Charging Methodology**. Information on Connection charges and the methodologies that underpin them is set out in the **Statement of the Connection Charging Methodology**. Both these documents are available on our **Charging website** at:

<http://www.nationalgrid.com/uk/Electricity/Charges/chargingstatements>

If you require further detail on any of the information contained within this document or have comments on how this document might be improved please contact our **Charging Team**, preferably by email at:

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Schedule 1

Schedule of Transmission Network Use of System Generation Charges (£/kW) in 2005/6

Generation Zone	Zone Area	Generation Tariff (£/kW)	Short Term Generation Tariff (£/kW)		
			28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
1	Peterhead	18.162236	3.814070	4.767587	5.721104
2	North Scotland	20.929759	4.395249	5.494062	6.592874
3	Skye	23.095483	4.850051	6.062564	7.275077
4	Western Highlands	18.920247	3.973252	4.966565	5.959878
5	Central Highlands	15.360647	3.225736	4.032170	4.838604
6	Cruachan	15.852828	3.329094	4.161367	4.993641
7	Argyll	13.441972	2.822814	3.528518	4.234221
8	Stirlingshire	12.610665	2.648240	3.310300	3.972359
9	South Scotland	11.820471	2.482299	3.102874	3.723448
10	North East England	8.090616	1.699029	2.123787	2.548544
11	Humber, Lancashire & SW Scotland	4.906290	1.030321	1.287901	1.545481
12	Anglesey	6.122706	1.285768	1.607210	1.928652
13	Dinorwig	8.705520	1.828159	2.285199	2.742239
14	South Yorks & North Wales	3.120190	0.655240	0.819050	0.982860
15	Midlands & South East	1.322966	0.277823	0.347279	0.416734
16	Central London	-5.712196	0.000000	0.000000	0.000000
17	North London	-0.220327	0.000000	0.000000	0.000000
18	Oxon & South Coast	-0.698936	0.000000	0.000000	0.000000
19	South Wales & Gloucester	-2.552479	0.000000	0.000000	0.000000
20	Wessex	-4.951295	0.000000	0.000000	0.000000
21	Peninsula	-8.044943	0.000000	0.000000	0.000000

In accordance with licence Condition C13, small generators connected to the 132kV transmission system in Scotland are eligible for a reduction in the listed Generation TNUoS tariffs. This discount has been calculated in accordance with direction from the Authority and equates to 25% of the combined generation and demand residual components of the TNUoS tariffs. For 2005/6, this figure has been calculated as £3.611587/KW.

Schedule of Transmission Network Use of System Demand Charges (£/kW) and Energy Consumption Charges (p/kWh) for 2005/6

Demand Zone	Zone Area	Demand Tariff (£/kW)	Energy Consumption Tariff (p/kWh)
1	Northern Scotland	0.041110	0.005610
2	Southern Scotland	4.114438	0.561693
3	Northern	7.393664	0.970234
4	North West	11.137060	1.461966
5	Yorkshire	11.182059	1.487585
6	N Wales & Mersey	11.210216	1.512416
7	East Midlands	13.465848	1.804975
8	Midlands	15.026957	2.062601
9	Eastern	14.028455	1.909865
10	South Wales	18.315906	2.368863
11	South East	15.989410	2.167559
12	London	18.516693	2.454909
13	Southern	17.833397	2.446575
14	South Western	20.489868	2.728435

A demand User's zone will be determined by the GSP Group to which the User is deemed to be connected.

In the case of parties liable for both generation and demand charges, the demand tariff zone applicable in respect of that party's demand will be that in which the Transmission Licensee's substation to which the party is connected is geographically located. For example, if a power station were connected at a Transmission Licensee's substation that is geographically located within demand zone 1, it would pay the zone 1 demand tariff.

Similarly, in the case of parties that are liable for National Grid's generation charges, the generation charges are levied by reference to the Transmission Licensee's substation to which the party is connected or deemed connected. Transmission Licensee's substations are assigned to a generation zone as shown on the zonal maps.

If a party is unclear from looking at the geographical map which zone the relevant National Grid substation is assigned to, then those parties should refer to the electrical version of the map of Generation Use of System Tariff Zones as at 1 April 2005 for clarification.

The energy consumption tariff is based on the annual energy consumption during the period 16:00 hrs to 19:00 hrs (i.e. settlement periods 33 to 38 inclusive) over the relevant financial year.

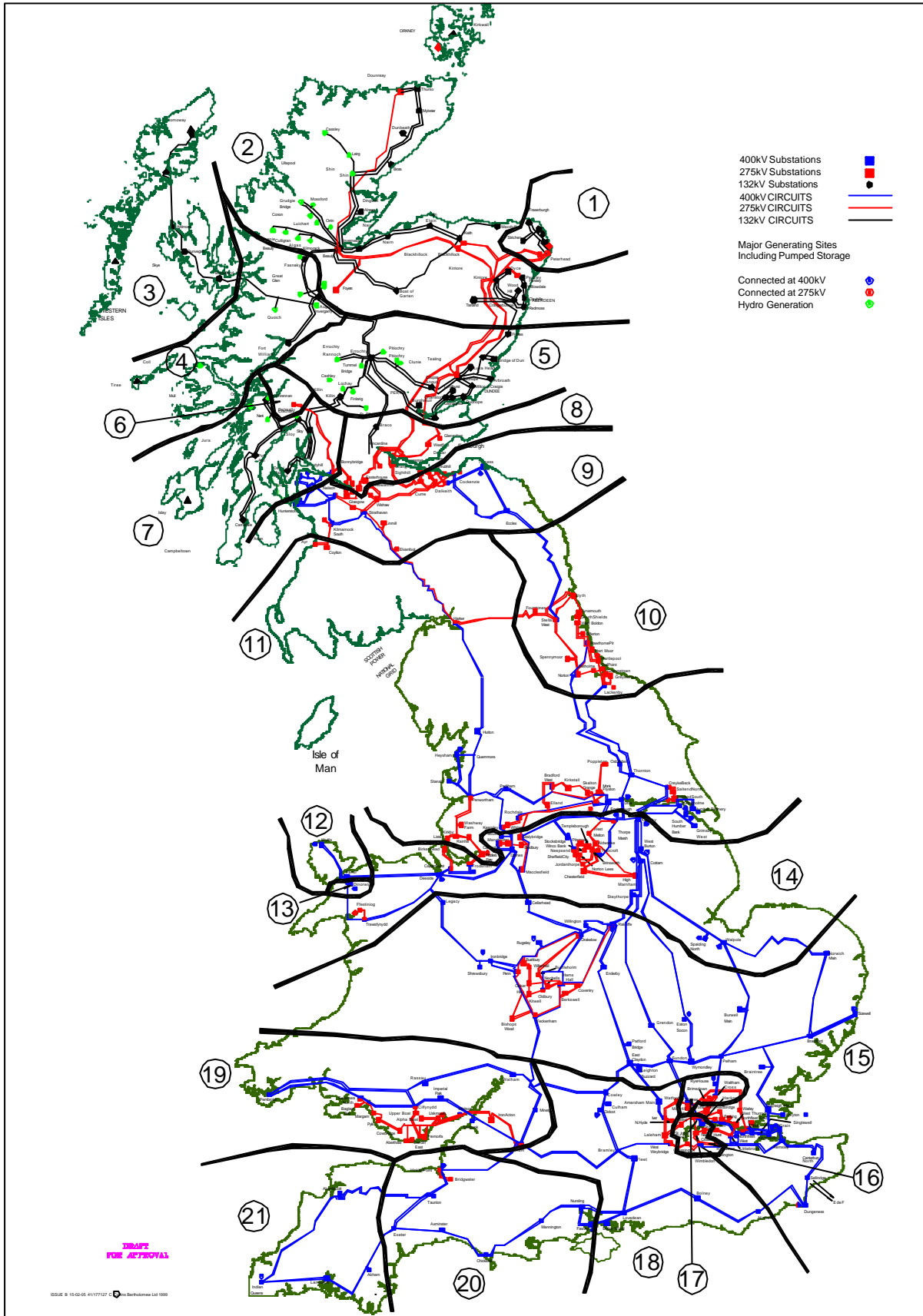
Small Generators Discount

In accordance with Standard Licence Condition C13 governing the adjustments to use of system charges for the small generators discount, a unit amount of £0.041111/kW to the demand tariff and 0.00561 p/kWh to the energy consumption tariff is added on a non-discriminatory and non-locational basis.

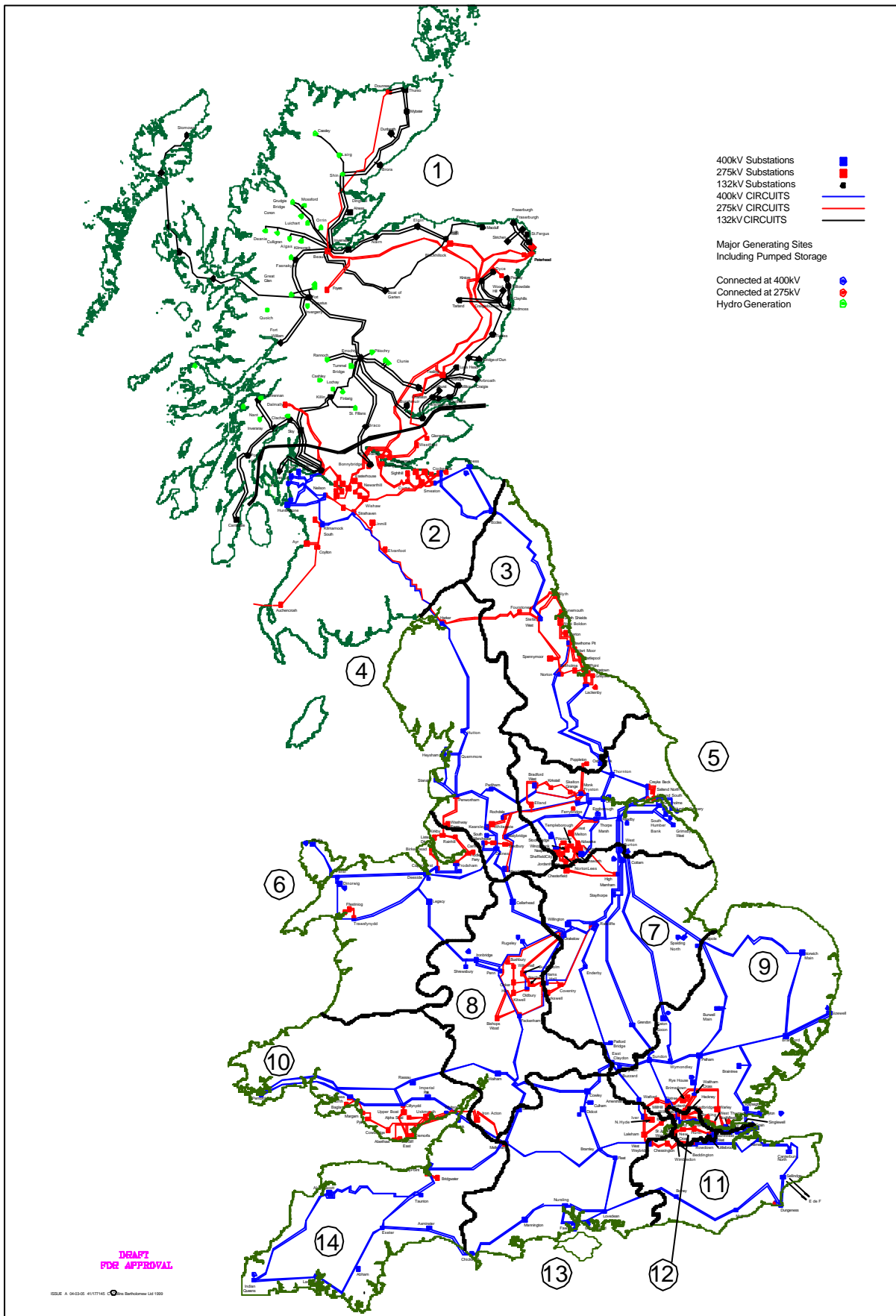
Standard Licence Condition C13 requires the small generators discount mechanism to be revenue neutral over the period of its operation so that the net effect on revenue of the licence condition is zero. It will therefore be necessary to manage any under or over recovery associated with the small generators discount separately from the under/over recovery mechanism within National Grid's main revenue restriction. National Grid calculates the unit amount added to the demand tariffs using a forecast of the total discount payable to eligible generators, and a forecast of the demand charging base. If either of these factors outturns differently from the original forecast then an under/over recovery would occur. The amount of any under/over recovery would be added to the revenue recovery used to derive the unit amount in subsequent years.

Zonal Maps

Generation Use of System Tariff Zones as at 1 April 2005 (Geographical)



Demand Use of System Tariff Zones as at 1 April 2005 (Geographical)



Generation Use of System Tariff Zones as at 1 April 2005 (Electrical)

The GB Generation Use of System tariff zonal map in electrical format is currently work in progress. The map will be published in this statement and will also be available as a PDF file on the National Grid Charging website prior to 1 April 2005.

All maps are also downloadable from the National Grid Charging website as separate PDF files:

<http://www.nationalgrid.com/uk/Electricity/Charges/chargingstatements>

Schedule 2

Application Fees for Connection and Use of System Agreements

Application fees are payable in respect of applications for new connection agreements, certain use of system agreements and for modifications to existing agreements based on reasonable costs incurred by NGC including where appropriate, charges from the Transmission Owners (TO's) in accordance with their charging statements. The application process and options available are set out in the Statement of the Use of System Charging Methodology and the Statement of the Connection Charging Methodology.

Users can opt to pay a fixed price application fee in respect of New and Modified Bilateral Agreements as shown in Tables A and B below. The application fee is dependent upon size, type and location of the applicant's scheme. Alternatively, Users can opt for a variable price application and pay an advance of the Engineering Charges based on the fixed prices shown in Tables A and B, which will be reconciled once the actual costs have been calculated using the charge out rates contained in Schedule 3.

For the purposes of Tables A and B below, NGC South (or North) is defined as the zone South (or North) of the NGC Boundary of Influence to SPT. Similarly, SPT South (or North) is defined as the zone South (or North) of the SPT Boundary of Influence to SHETL. Finally, SHETL South (or North) is defined as the zone South (or North) of the SHETL Boundary of Influence to SPT. The definition of the Boundary of Influence is defined in Schedule 4 of the STC (SO-TO Code).

The application fees indicated in Tables A and B will be reviewed on an annual basis and reflect any changes to the Boundaries of Influence. It should be noted that the zone to which a particular user is applying is determined by the location of the connection to the GB transmission system and not by the geographical location of the User's plant and equipment.

It is understood that in exceptional circumstances a Transmission Owner may have the right to vary the application fee charged to NGC from the standard fee published in their charging statements. The exceptional circumstances are expected to be where the application involves significant costs over and above those normally expected (e.g. substantial system studies, special surveys, investigations) to process an offer of terms. In such circumstances, NGC reserves the right to remove the option for a fixed price application fee.

Please note that the fees quoted for items 1-7 below refer to the final MW figure applied for, not the difference between original and the final figures.

Table A: Fixed Prices for New Bilateral Agreements

		Zone	MW	Fee (£'000)	Agreement Type (as Table C)
1	Directly connected generation	NGC South	<100 =>100<300 =>300<500 =>500<1000 =>1000	25 + VAT 25 + VAT 50 + VAT 50 + VAT 70 + VAT	Bilateral Connection Agreement
	Directly connected generation	NGC North	<100 =>100<300 =>300<500 =>500<1000 =>1000	55 + VAT 55 + VAT 110 + VAT 110 + VAT 160 + VAT	Bilateral Connection Agreement
	Directly connected generation	SPT South	<100 =>100<300 =>300<500 =>500<1000 =>1000	41 + VAT 51 + VAT 92 + VAT 122 + VAT 160 + VAT	Bilateral Connection Agreement
	Directly connected generation	SPT North	<100 =>100<300 =>300<500 =>500<1000 =>1000	51 + VAT 71 + VAT 127 + VAT 172 + VAT 230 + VAT	Bilateral Connection Agreement
	Directly connected generation	SHETL South	<100 =>100<300 =>300<500 =>500<1000 =>1000	61 + VAT 81 + VAT 157 + VAT 182 + VAT 250 + VAT	Bilateral Connection Agreement
	Directly connected generation	SHETL North	<100 =>100<300 =>300<500 =>500<1000 =>1000	61 + VAT 81 + VAT 157 + VAT 182 + VAT 250 + VAT	Bilateral Connection Agreement
2	Directly connected reactive only service provider	NGC South		20 + VAT	Bilateral Connection Agreement
	Directly connected reactive only service provider	NGC North		20 + VAT	Bilateral Connection Agreement
	Directly connected reactive only service provider	SPT South		12 + VAT	Bilateral Connection Agreement
	Directly connected reactive only service provider	SPT North		22 + VAT	Bilateral Connection Agreement
	Directly connected reactive only service provider	SHETL South		22 + VAT	Bilateral Connection Agreement
	Directly connected reactive only service provider	SHETL North		22 + VAT	Bilateral Connection Agreement

3	Embedded generation	NGC South	<100 =>100	Nil 10 + VAT	<50 refer to NGC =>50 BEGA
	Embedded generation	NGC North	<30 =>30<100 =>100	Nil 6 + VAT 16 + VAT	<50 refer to NGC =>50 BEGA
	Embedded generation	SPT South	<30 =>30	Nil 16 + VAT	<30 refer to NGC =>30 BEGA/BELLA
	Embedded generation	SPT North	<5 =>5<30 =>30	3 + VAT 5 + VAT 21 + VAT	<30 refer to NGC =>30 BEGA/BELLA
	Embedded generation	SHETL South	<5 =>5<30 =>30	3 + VAT 11 + VAT 17 + VAT	<5 refer to NGC =>5 BEGA/BELLA
	Embedded generation	SHETL North	<5 =>5<30 =>30	3 + VAT 11 + VAT 17 + VAT	<5 refer to NGC =>5 BEGA/BELLA
4	New supply point	NGC South		40 + VAT	Bilateral Connection Agreement
	New supply point	NGC North		45 + VAT	Bilateral Connection Agreement
	New supply point	SPT South	<100 =>100	28 + VAT 38 + VAT	Bilateral Connection Agreement
	New supply point	SPT North	<100 =>100	38 + VAT 58 + VAT	Bilateral Connection Agreement
	New supply point	SHETL South	<100 =>100	40 + VAT 72 + VAT	Bilateral Connection Agreement
	New supply point	SHETL North	<100 =>100	38 + VAT 68 + VAT	Bilateral Connection Agreement
5	Suppliers	All		Nil	Contained in CUSC

Table B: Fixed prices for Modifications to existing Bilateral Agreements

		Zone	MW	Fee (£'000)	Agreement Type (as Table C)
6	Directly connected generation	NGC South	<100 =>100<300 =>300<500 =>500<1000 =>1000	25 + VAT 25 + VAT 50 + VAT 50 + VAT 70 + VAT	Bilateral Connection Agreement
	Directly connected generation	NGC North	<100 =>100<300 =>300<500 =>500<1000 =>1000	55 + VAT 55 + VAT 110 + VAT 110 + VAT 160 + VAT	Bilateral Connection Agreement
	Directly connected generation	SPT South	<100 =>100<300 =>300<500 =>500<1000 =>1000	41 + VAT 51 + VAT 92 + VAT 122 + VAT 160 + VAT	Bilateral Connection Agreement
	Directly connected generation	SPT North	<100 =>100<300 =>300<500 =>500<1000 =>1000	51 + VAT 71 + VAT 127 + VAT 172 + VAT 230 + VAT	Bilateral Connection Agreement
	Directly connected generation	SHETL South	<100 =>100<300 =>300<500 =>500<1000 =>1000	61 + VAT 81 + VAT 157 + VAT 182 + VAT 250 + VAT	Bilateral Connection Agreement
	Directly connected generation	SHETL North	<100 =>100<300 =>300<500 =>500<1000 =>1000	61 + VAT 81 + VAT 157 + VAT 182 + VAT 250 + VAT	Bilateral Connection Agreement
7	Addition/reduction of embedded generation	NGC South	<100 =>100	Nil 10 + VAT	<50 refer to NGC =>50 BEGA
	Addition/reduction of embedded generation	NGC North	<30 =>30<100 =>100	Nil 6 + VAT 16 + VAT	<50 refer to NGC =>50 BEGA
	Addition/reduction of embedded generation	SPT South	<30 =>30	Nil 16 + VAT	<30 refer to NGC =>30 BEGA/BELLA
	Addition/reduction of embedded generation	SPT North	<30 =>30	3 + VAT 19 + VAT	<30 refer to NGC =>30 BEGA/BELLA
	Addition/reduction of embedded generation	SHETL South	<5 =>5<30 =>30	3 + VAT 9 + VAT 15 + VAT	<5 refer to NGC =>5 BEGA/BELLA
	Addition/reduction of embedded generation	SHETL North	<5 =>5<30 =>30	3 + VAT 9 + VAT 15 + VAT	<5 refer to NGC =>5 BEGA/BELLA

8	Addition/reduction of transformer at existing supply point	NGC South		35 + VAT	Bilateral Connection Agreement
	Addition/reduction of transformer at existing supply point	NGC North		35 + VAT	Bilateral Connection Agreement
	Addition/reduction of transformer at existing supply point	SPT South		27 + VAT	Bilateral Connection Agreement
	Addition/reduction of transformer at existing supply point	SPT North		32 + VAT	Bilateral Connection Agreement
	Addition/reduction of transformer at existing supply point	SHETL South		17 + VAT	Bilateral Connection Agreement
	Addition/reduction of transformer at existing supply point	SHETL North		17 + VAT	Bilateral Connection Agreement
9	Modifications to existing supply points and agreements	NGC South		20 + VAT	Bilateral Connection Agreement
	Modifications to existing supply points and agreements	NGC North		20 + VAT	Bilateral Connection Agreement
	Modifications to existing supply points and agreements	SPT South	<100 =>100	24 + VAT 24 + VAT	Bilateral Connection Agreement
	Modifications to existing supply points and agreements	SPT North	<100 =>100	31 + VAT 34 + VAT	Bilateral Connection Agreement
	Modifications to existing supply points and agreements	SHETL South	<100 =>100	19 + VAT 24 + VAT	Bilateral Connection Agreement
	Modifications to existing supply points and agreements	SHETL North	<100 =>100	19 + VAT 24 + VAT	Bilateral Connection Agreement

10	Modifications to alter connection / commissioning dates	NGC South		30 + VAT	Bilateral Connection Agreement
	Modifications to alter connection / commissioning dates	NGC North		35 + VAT	Bilateral Connection Agreement
	Modifications to alter connection / commissioning dates	SPT South		35 + VAT	Bilateral Connection Agreement
	Modifications to alter connection / commissioning dates	SPT North		42 + VAT	Bilateral Connection Agreement
	Modifications to alter connection / commissioning dates	SHETL South		42 + VAT	Bilateral Connection Agreement
	Modifications to alter connection / commissioning dates	SHETL North		42 + VAT	Bilateral Connection Agreement

Transmission Entry Capacity (TEC)		Zone	Fee (£'000) for increase in TEC (no fee for corresponding decrease in TEC due to Exchange of TEC)		Agreement Type (as Table C)
11	Increase in TEC (assumes no system implications)	NGC South		10 + VAT	Bilateral Connection Agreement
	Increase in TEC (assumes no system implications)	NGC North		10 + VAT	Bilateral Connection Agreement
	Increase in TEC (assumes no system implications)	SPT South		10 + VAT	Bilateral Connection Agreement
	Increase in TEC (assumes no system implications)	SPT North		17 + VAT	Bilateral Connection Agreement
	Increase in TEC (assumes no system implications)	SHETL South		17 + VAT	Bilateral Connection Agreement
	Increase in TEC (assumes no system implications)	SHETL North		17 + VAT	Bilateral Connection Agreement

12	TEC exchange rate request fee (assumes no system implications)	NGC South	10 + VAT	Bilateral Connection Agreement/BEGA
	TEC exchange rate request fee (assumes no system implications)	NGC North	10 + VAT	Bilateral Connection Agreement/BEGA
	TEC exchange rate request fee (assumes no system implications)	SPT South	10 + VAT	Bilateral Connection Agreement/BEGA
	TEC exchange rate request fee (assumes no system implications)	SPT North	17 + VAT	Bilateral Connection Agreement/BEGA
	TEC exchange rate request fee (assumes no system implications)	SHETL South	17 + VAT	Bilateral Connection Agreement/BEGA
	TEC exchange rate request fee (assumes no system implications)	SHETL North	17 + VAT	Bilateral Connection Agreement/BEGA
13	Request for Short Term TEC (STTEC) or Short Notice Short Term Firm (SNSTF)	All	10 + VAT	Bilateral Connection Agreement/BEGA

Note: A Construction Agreement may be necessary in addition to the Bilateral Connection Agreement where construction works are required.

Table C: Bilateral Agreement Types

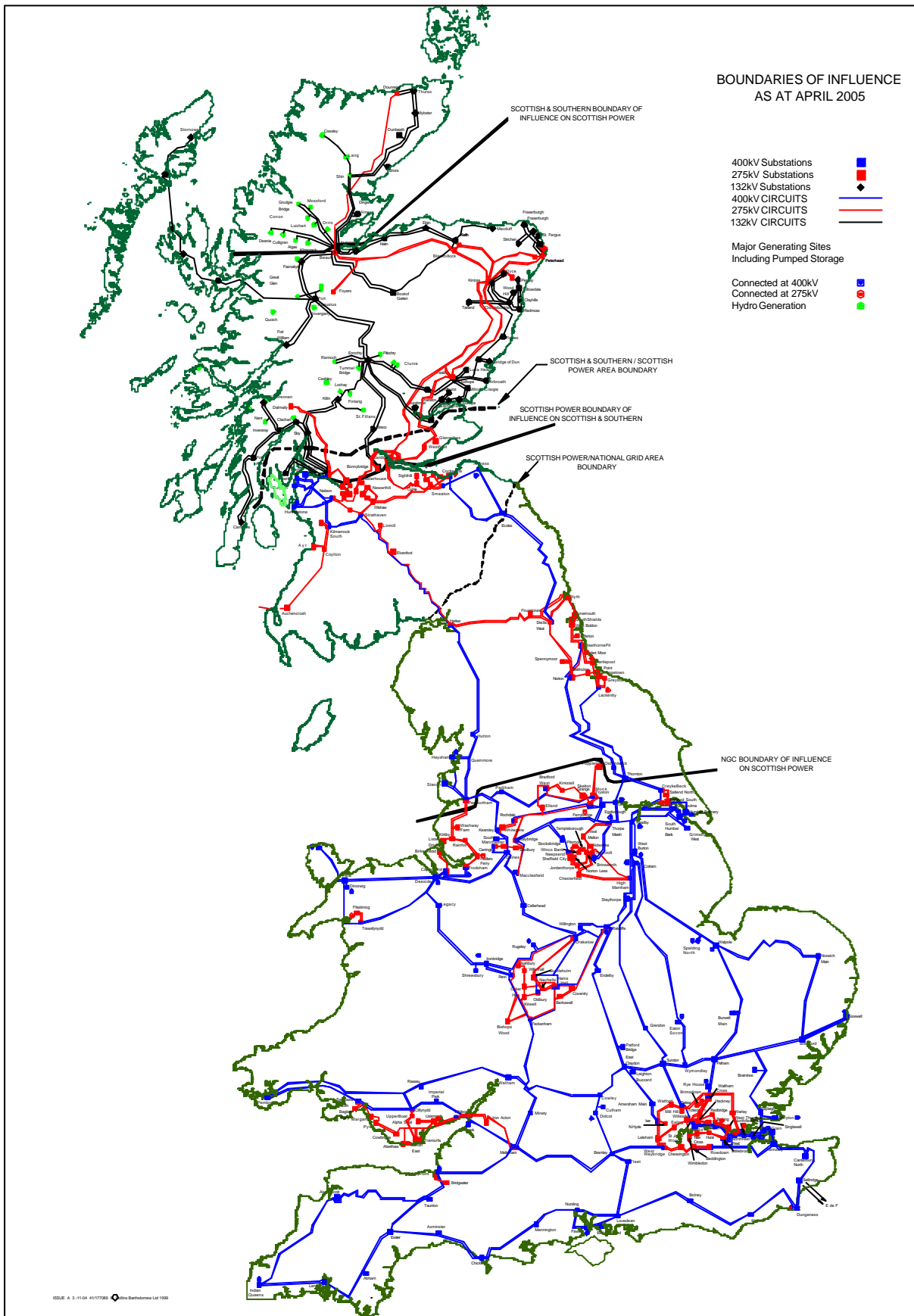
Bilateral Agreement Type	Description
Bilateral Connection Agreement	In respect of Connection Sites of Users.
Bilateral Embedded Licence Exemptable Large Power Station Agreement (BELLA)	For generators that own or are responsible for embedded exemptable large power stations (another party may be responsible for the output under the CUSC and BSC).
Bilateral Embedded Generation Agreement (BEGA)	For generators and BSC parties with embedded power stations, excluding those which are exempt (unless they otherwise choose to be), who are responsible for the output onto a Distribution System.
Construction Agreement	In respect of parties that are applying for new or modified agreements up until the time of commissioning.

Table D: Generator Types

The definitions provided below have been extracted from the Grid Code and are provided for ease of reference within this document.

Type of Plant	Definition
Embedded	Having a direct connection to a User System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Transmission Licensee (but with no other connection to the GB Transmission System).
Small Power Station	A Power Station in NGC's Transmission Area with a Registered Capacity of less than 50MW or a Power Station in SPT's or SHETL's Transmission Area with a Registered Capacity of less than 5 MW.
Medium Power Station	A Power Station in NGC's Transmission Area with a Registered Capacity of 50MW or more, but less than 100MW; or a Power Station in SPT's Transmission Area with a Registered Capacity of 5 MW or more but less than 30 MW.
Large Power Station	A Power Station in NGC's Transmission Area with a Registered Capacity of 100MW or more or a Power Station in SPT's Transmission Area with a Registered Capacity of 30 MW or more; or a Power Station in SHETL's Transmission Area with a Registered Capacity of 5 MW or more.

Boundaries of Influence Map



Schedule 3

Charge-Out Rates for Engineering Charges for Variable Price Applications

Appropriately qualified staff will be appointed to process applications and feasibility studies and carry out work in relation to the development of the GB Transmission System. Travel, subsistence and computing costs will also be charged on an actual basis. It should be noted that these rates only apply to work carried out by the Transmission Licensee's in relation to licensed transmission activities. Different rates may apply when asked to quote for other work.

	£/day		
	NGC	SPT	SHETL
Section Manager Internal Solicitor	790	720	720
Principal Power System Engineer	645	600	600
Senior Power System Engineer Project Manager Account Manager Senior Wayleave Officer	520	500	500
Power System Design Engineer Draughtsman	400	400	400
Graduate Engineer	330	330	330
Administrative Support	265	260	260

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