



Application Fee Final Proposals

24 February 2010

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Background

- ◆ Open Letter to Industry on proposals to restructure application fee tables circulated in November 2009
- ◆ Proposals presented to CISG 6th January 2010
- ◆ Responses and Feedback received and reviewed
- ◆ Response to Open Letter comments circulated 22nd February
- ◆ These are the proposals we are intending to implement 1st April

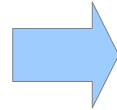
Recap: Drivers for Change

- ◆ Not been reviewed since BETTA
- ◆ Maximise clarity and simplicity for customers
- ◆ Take account of very large applications
- ◆ Take account of the offshore regime

Proposal 1 – Revise Capacity Thresholds

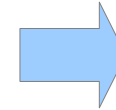
Current

5 Categories (MW)
<100
100-300
300-500
500-1000
>1000



Proposed

3 Categories (MW)
<300
300-1320
>1320



Revised

3 Categories (MW)
<100
100-1320
>1320

Proposal 2 – Maintain Cost Reflectivity

Current: Two Fee Types

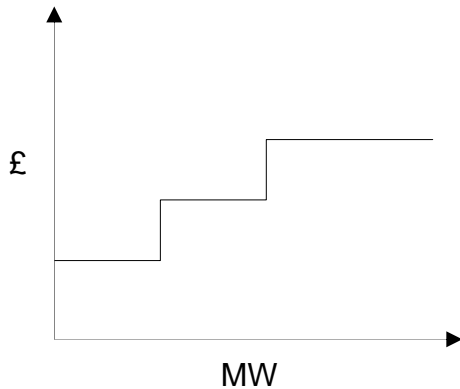
Proposed: One Fee Type

Revised: Two Fee Types

1. New App
2. Mod App

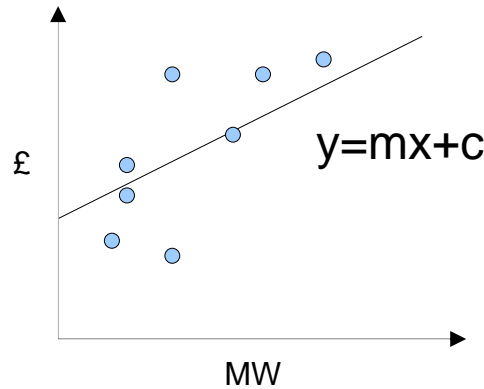
	Core Fee	
Capacity	Base (£)	Rate (£/MW)
<300	c	m
300-1320		
>1320		

	Core Fee	
Capacity	Base (£)	Rate (£/MW)
<100	c	m
100-1320		
>1320		



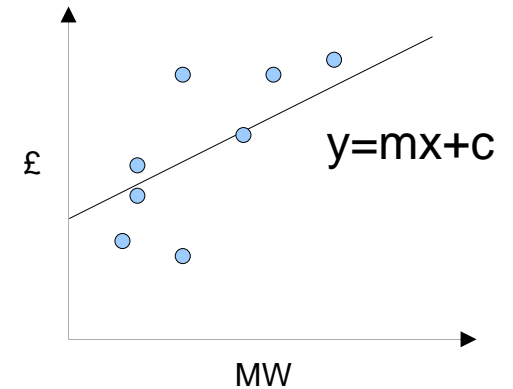
For 5 capacity thresholds

Mod App = New App



For 3 capacity thresholds

Mod App = New App

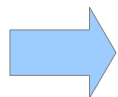
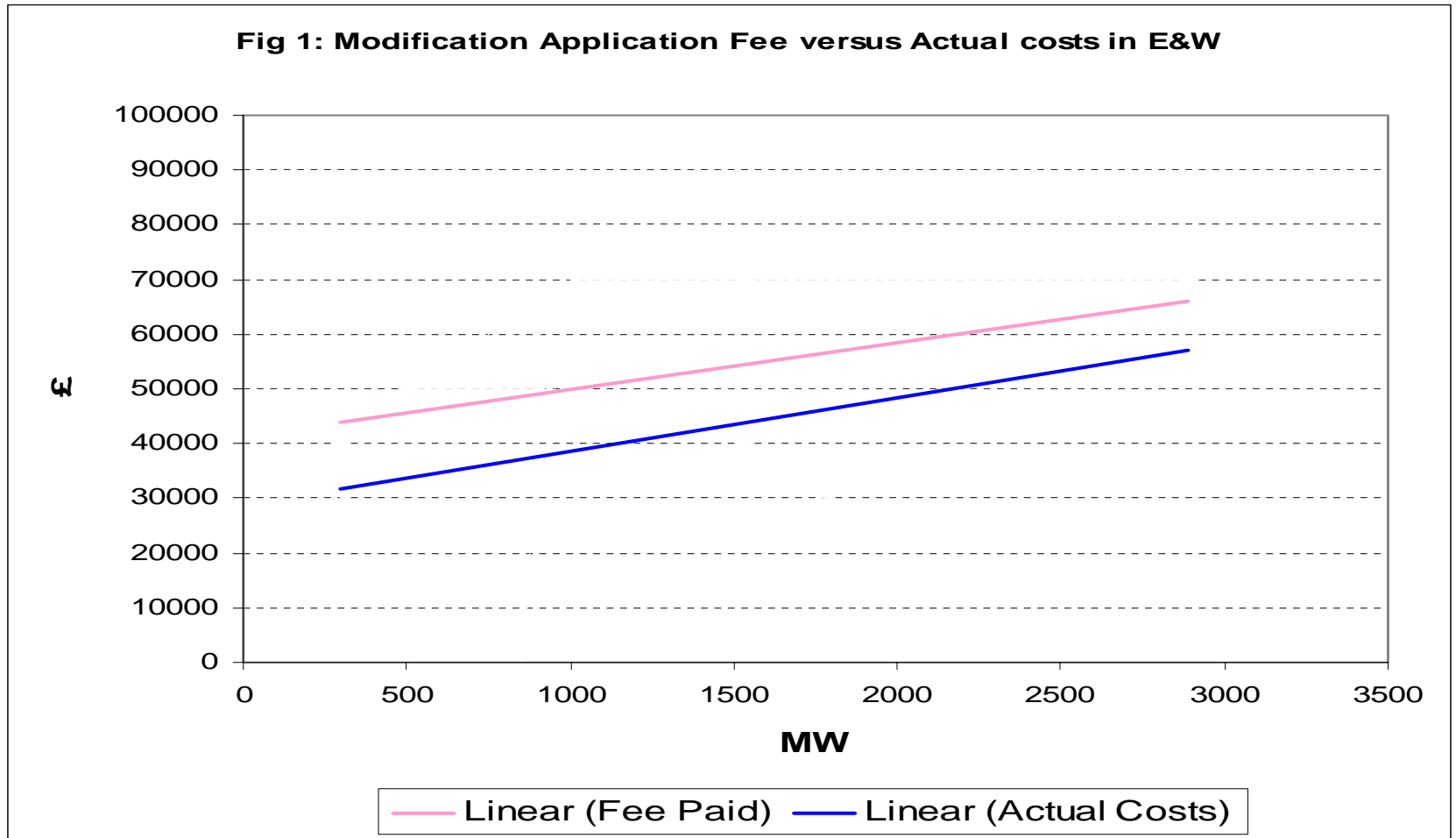


For 3 capacity thresholds

Mod App = $\frac{3}{4}$ New App

New App : Mod App

Fig 1: Modification Application Fee versus Actual costs in E&W



Historically, actual costs ~75% of Mod App Fee

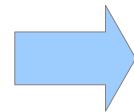
Proposal 3 – Premium for Fixed Fees

- ◆ With two fee types, fixed fee premiums unnecessary

Proposal 4 - Simplify Zoning

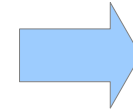
Current

SHETL North
SHETL South
SPT North
SPT South
NGET North
NGET South



Proposed

Core
(x) TO



Revised

Zone C
Zone B
Zone A

Proposal 5 – Treatment of Offshore Generation

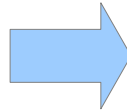
Proposed

Fee

- Fees indicative only
- Per onshore connection point
- Capped at £400k

Process

- 3 options proposed



Revised

Fee

- Fees indicative only
- Per *offshore Connection Site*
- Capped at £400k

Process

- Stage 1 reconciled
- Assume costs at Stage 1 = Stage 2

Offshore
(Indicative only)

Onshore
(Indicative or fixed)

Offshore
(Indicative only)

Connecting to Zone C	£
Per Connection Site	190,000

Zone C		Base	Rate £/MW
New App	<100	35,000	260
	100-1320	55,000	125
	>1320	160,000	55

Connecting to Zone C	£
Per Connection Site	190,000

Connecting to Zone B	£
Per Connection Site	140,000

Zone B		Base	Rate £/MW
New App	<100	25,000	180
	100-1320	40,000	90
	>1320	120,000	35

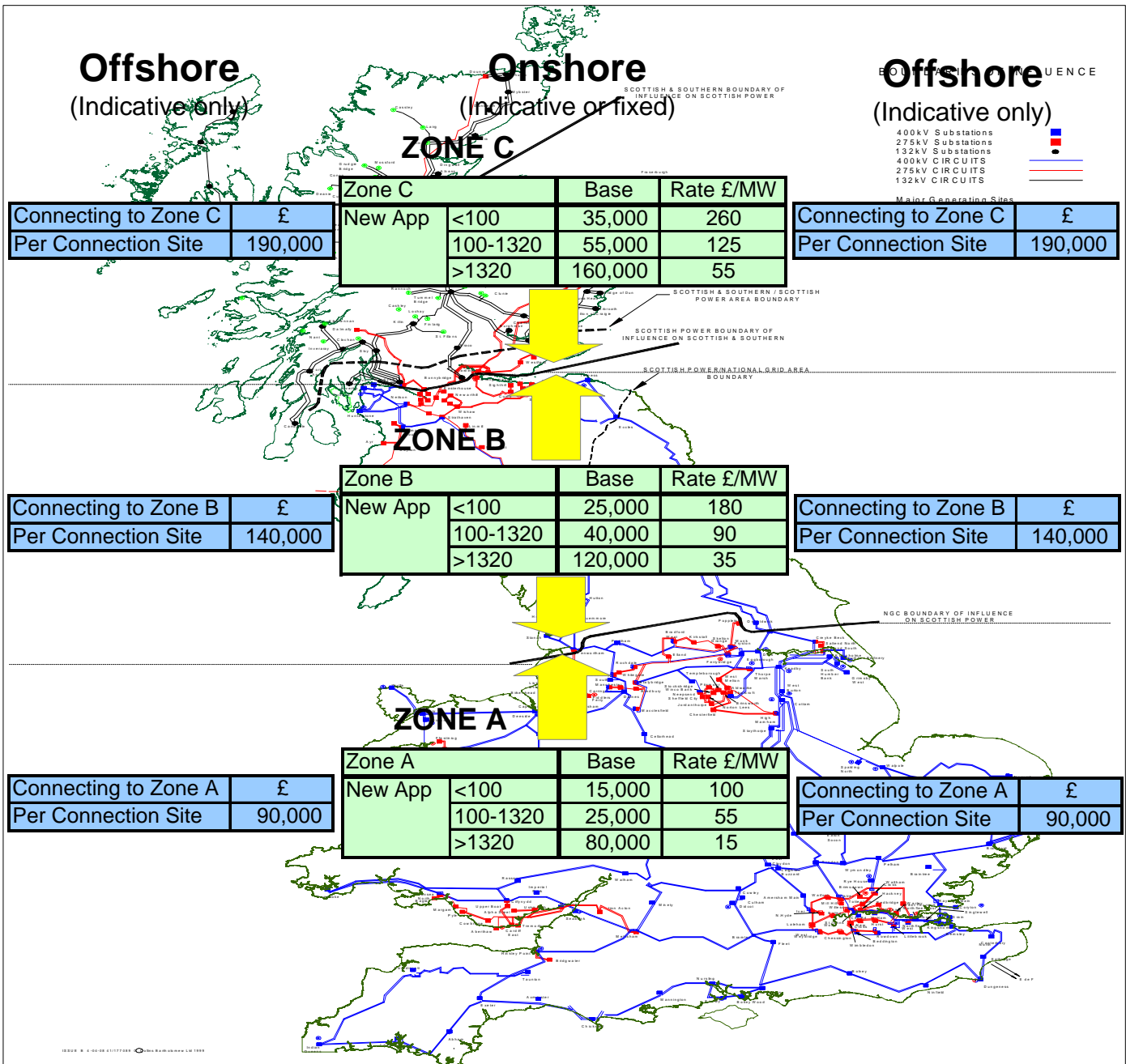
Connecting to Zone B	£
Per Connection Site	140,000

Connecting to Zone A	£
Per Connection Site	90,000

Zone A		Base	Rate £/MW
New App	<100	15,000	100
	100-1320	25,000	55
	>1320	80,000	15

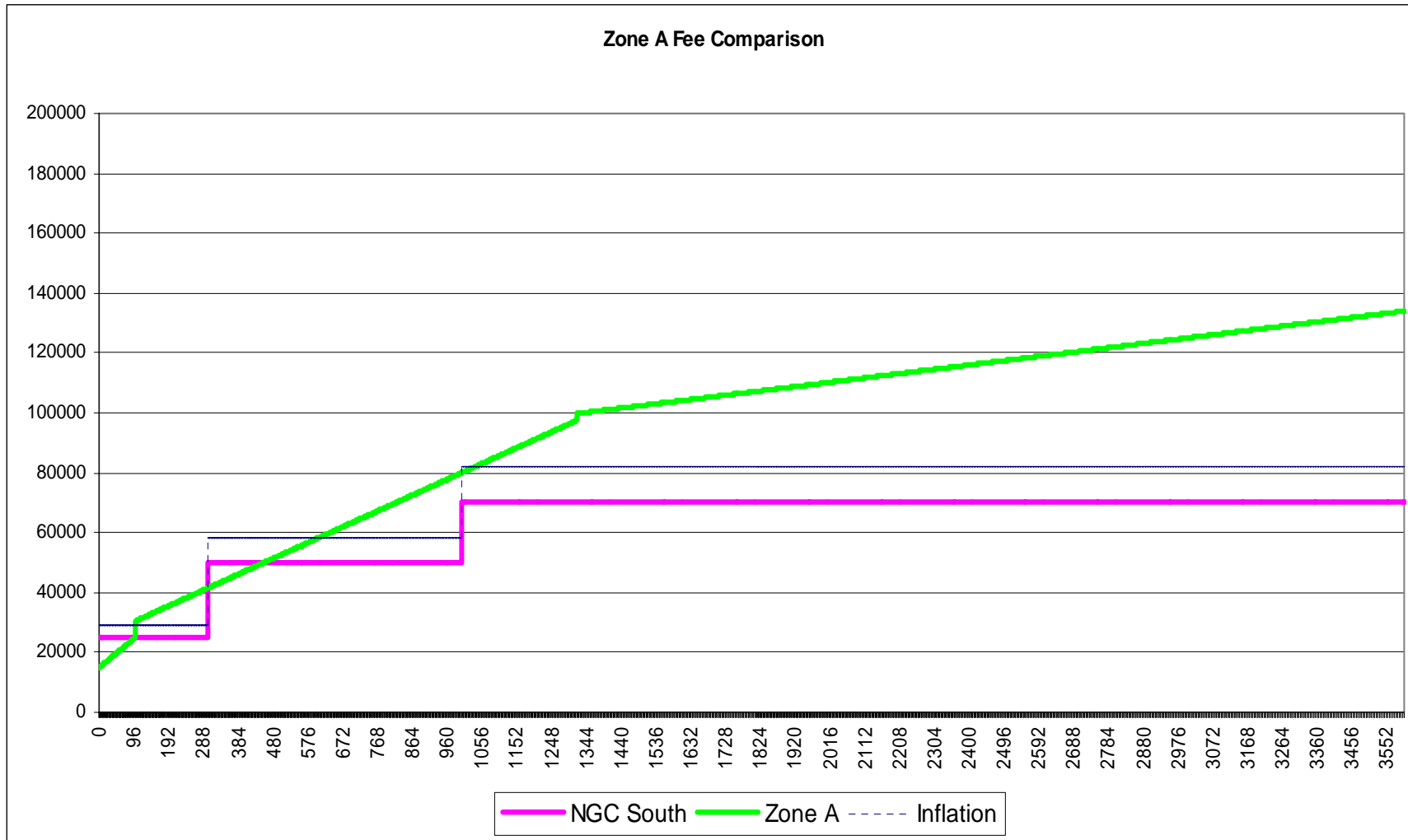
Connecting to Zone A	£
Per Connection Site	90,000

- BOULEVAARD INFLUENCE
- 400kV Substations
 - 275kV Substations
 - 132kV Substations
 - 400kV CIRCUITS
 - 275kV CIRCUITS
 - 132kV CIRCUITS
- Major Generation Sites
-

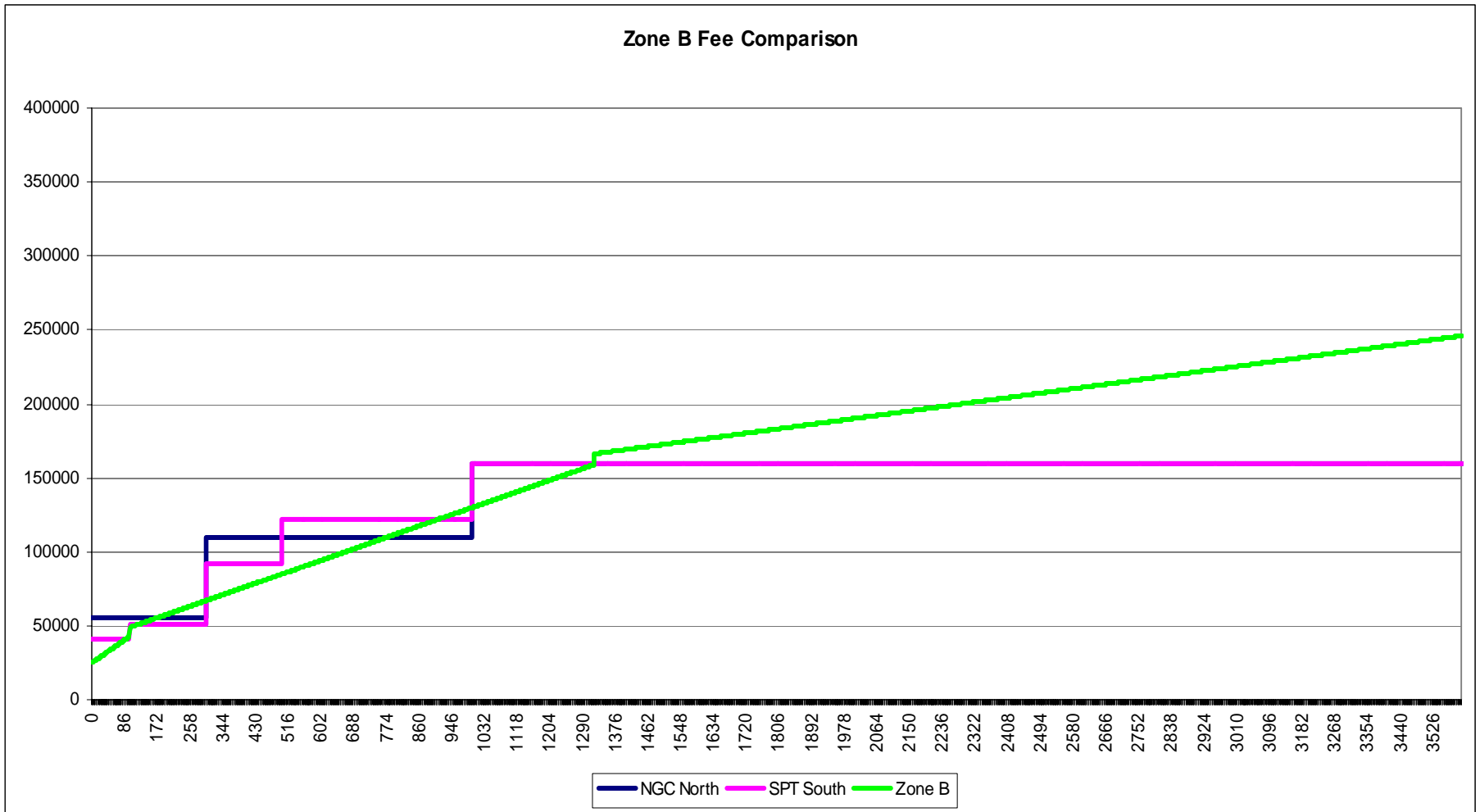


NGC South

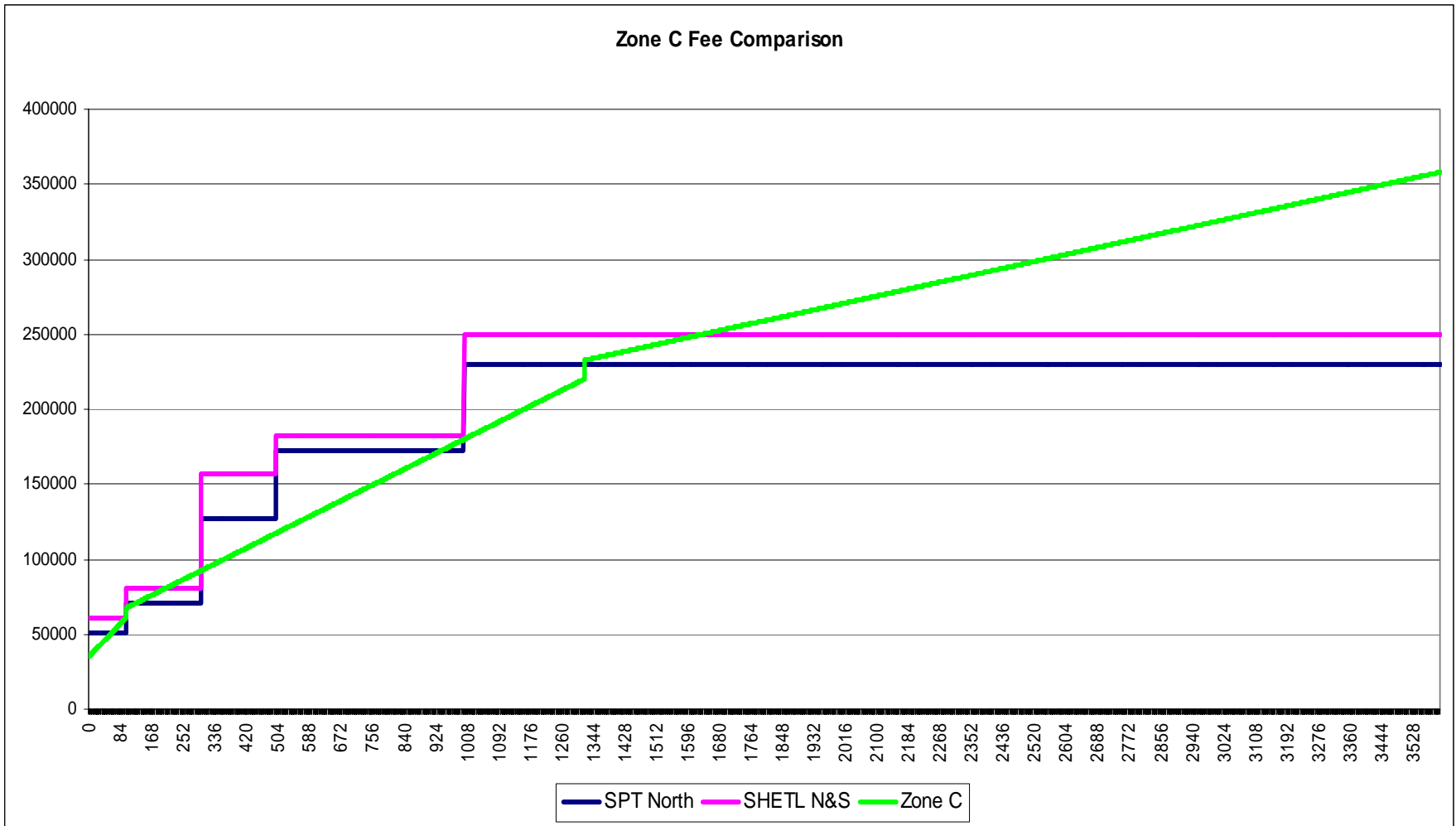
Zone A Fee Comparison



NGC North and SPT South



SPT North, SHETL North and South



Other Fees

Modification Application

Request for Design Variation in addition to a standard offer

Embedded Generation New Application

Embedded Generation Modification Application

Fraction of New Application Fee

0.75
1.5
0.5
0.4

- TEC increase will be treated as new application for incremental value

TEC Increase or TEC Exchange Request (no system implications)

Request for Short Term TEC (STTEC) or Short Notice Short Term Firm (SNSTF)

Directly Connected Reactive Only Service Provider

Suppliers and Interconnector Users

Where a party wishes to assign, transfer or novate its Bilateral Agreement

	Zone A	Zone B	Zone C
TEC Increase or TEC Exchange Request (no system implications)	10,000	10,000	17,000
Request for Short Term TEC (STTEC) or Short Notice Short Term Firm (SNSTF)	10,000	10,000	10,000
Directly Connected Reactive Only Service Provider	20,000	21,000	22,000
Suppliers and Interconnector Users	2,000	2,000	2,000
Where a party wishes to assign, transfer or novate its Bilateral Agreement	2,000	2,000	2,000

Exit Fees

New Supply Point
Modification Application

Zone A	Zone B		Zone C	
	<100MW	>100MW	<100MW	>100MW
£ 50,000	£ 28,000	£ 55,000	£ 39,000	£ 60,000
£ 37,500	21,000	41,250	29,250	45,000

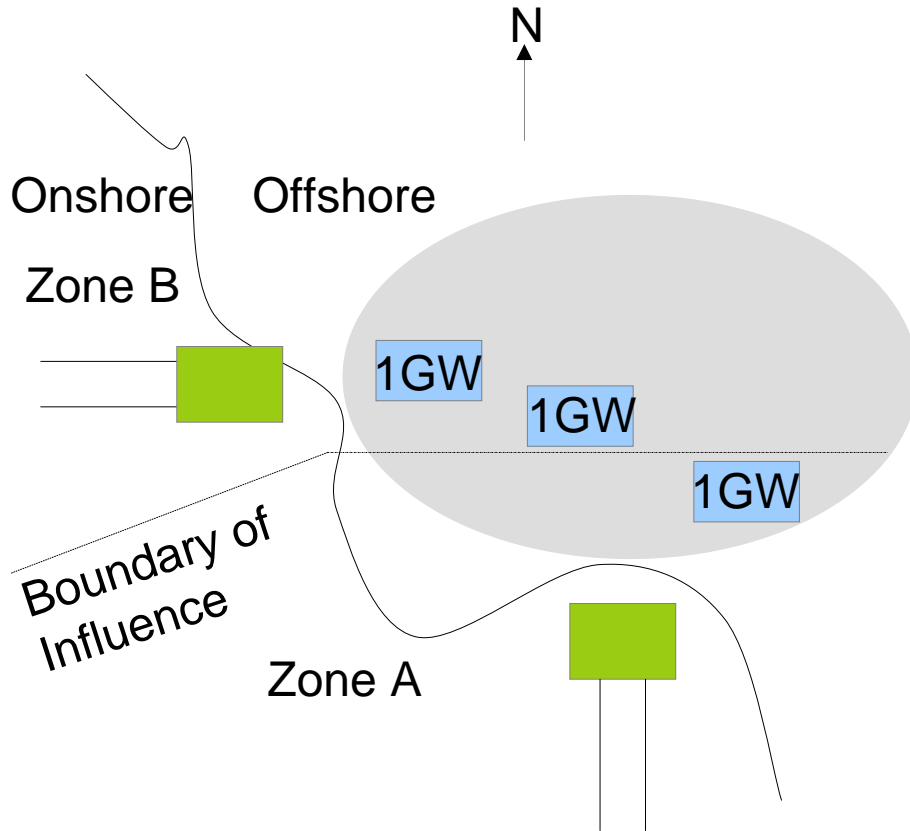
Statement of Works at Existing Supply Point
Modification Application following a Request for a Statement of Works



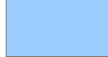
Zone A	Zone B	Zone C
£ 5,000	£ 6,000	£ 8,000
£ 13,000	£ 15,000	£ 17,000

Summary

Objectives:

- ◆ Fees reviewed
- ◆ Improved clarity and cost reflectivity
- ◆ Structure accommodates Large Plant
- ◆ Structure Accommodates Offshore



-  Offshore Project
-  Onshore NETS substation
-  Offshore Connection Site

1 x application fee based on Zone A
 2 x application fees based on Zone B
 Not more than £400k in total

Offshore Timeline and Application Fees

