



SP Transmission Limited

Response to National Grid's October 2006 Consultation Document GB ECM-06

“For the charging arrangements associated with SQSS design variations based on customer requests”

This response is on behalf of SP Transmission Limited (SPTL). As a Transmission Owner (TO) in Scotland, SPTL does not have direct contractual relationships with generators connected to its transmission assets but does have an interest in ensuring that transmission access and charging arrangements are consistent with our obligations to develop and maintain an efficient, co-ordinated and economic transmission network.

There is an exceptional level of renewables requiring connection to our transmission network and we want to ensure that the arrangements lead to efficient capital expenditure and do not compromise on the funding necessary to meet existing contractual commitments. We also want to ensure that any additional costs incurred by the TO as a result of moving to these new arrangements are recoverable.

TNUoS Methodology Amendment

National Grid noted that in the responses to the pre-consultation there was an overwhelming consensus in favour of amending the Use of System Charging Methodology. We support this approach as it is transparent and offers a balance between incentive effects and cost reflectivity.

In working with the GBSO, recent feedback indicates that the incentive effect may not be sufficient. We would ask National Grid to review the detail of its proposal to ensure that the right incentive balance is achieved.

SP Transmission Limited
3 November 2006