

CONSULTATION DOCUMENT

**Modification Proposal to the Use of
System Charging Methodology**

UoSCM-M-13

**Introducing a new charge for Short Term
Transmission Access**

09 June 2004

Table of Contents

1. EXECUTIVE SUMMARY	1
2. INTRODUCTION	1
3. BACKGROUND TO THE ISSUE.....	2
4. EXPLANATION OF THE ISSUES.....	2
4.1 Introduction of Short Term Transmission Entry Capacity (STTEC).....	2
5. PROPOSED MODIFICATION	3
5.1 Proposed Changes to the Use of System Charging Methodology.....	3
5.2 Justification for proposed modification.....	5
5.3 Implementation date	6
5.4 Proposed Changes to the Statement of the Use of System Charging Methodology	6
5.5 Proposed Changes to the Statement of Use of System Charges	6
5.6 Indicative Impact on the Use of System Charges.....	6
5.7 Impacts on Other Industry Documents.....	6
6. RESPONSES TO THIS CONSULTATION.....	7
APPENDIX 1 – PROPOSED REVISED WORDING OF CHAPTERS 3, 5 & 7 OF THE USE OF SYSTEM CHARGING METHODOLOGY	8
APPENDIX 2 – PROPOSED REVISED TABLES FOR THE STATEMENT OF USE OF SYSTEM CHARGES.....	17

1. Executive Summary

This paper sets out for consultation National Grid's proposed modification to the Use of System Charging Methodology to introduce a new generation Transmission Network Use of System (TNUoS) charge for short term Transmission Access. This paper is published on the National Grid website at the following address:

www.nationalgrid.com/uk/indinfo/charging/mn_modifications.html

2. Introduction

National Grid is obliged under the Transmission Licence:

- (i) to make revisions to the Charging Statements in order that the information set out in these statements shall continue to be accurate in all material respects;
- (ii) to keep the Use of System Charging Methodology at all time under review;
- (iii) to make such modifications of the Use of System Charging Methodology as may be requisite for the purpose of better achieving the relevant objectives, which are:
 - a. to facilitate effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;
 - b. to result in charges which reflect, as far as reasonably practicable, the costs incurred by National Grid in its Transmission Business; and
 - c. to take account of the developments in National Grid's Transmission Business.

In addition National Grid is obliged under Condition C7C of its Transmission Licence to ensure that National Grid shall not make charges which unduly discriminate between classes of customer.

Before making a modification to the Use of System Charging Methodology, National Grid is required by the Transmission Licence to consult CUSC Users on the proposed modification and allow them a period of not less than 28 days within which to make written representations, except with the consent of the Authority.

The purpose of this document is to set out for consultation National Grid's proposal to modify the methodology regarding the determination of TNUoS generation charges in relation to the Short Term Access service.

It is proposed that this modification would better meet the Relevant Objectives in Licence Condition C7A 5 (iii)(a), (b) and (c) as listed above.

3. Background to the Issue

National Grid proposed a CUSC Amendment Proposal CAP070¹ Short Term Access Service in January 2004. At the May 2004 CUSC Panel meeting a decision to take the original Amendment and the Working Group Alternative to Industry consultation was reached.

This consultation is consequential to CUSC Amendment Proposal CAP070. National Grid will therefore run the two consultations in parallel to allow Users to consider the issues raised by these consultations and formulate their responses accordingly.

4. Explanation of the Issues

4.1 Introduction of Short Term Transmission Entry Capacity (STTEC)

At present a breach of TEC is a breach of CUSC and also a breach of the Generator's licence, however, it is not a breach of CUSC if a generator is entitled to exceed TEC under specific circumstances laid out in the CUSC.

Circumstances may arise where it is considered beneficial, both commercially for the respective parties and the end consumer and to enhance system security, for the generators to increase their access to the system. In order to benefit the wider system and to facilitate the return to service of otherwise unavailable plant, the introduction of a short term access product has been proposed by National Grid in CAP070. This new short term product would effectively increase a generator's access to the system for a defined period and is described as STTEC (Short Term Transmission Entry Capacity).

Of the two options described in the CAP070 Working Group report the STTEC period or length of the product varies between 4 and 6 weeks. In addition the report reflected National Grid's initial thoughts on a charging methodology where the charge for STTEC in positive charging zones should be based on a proportion of the annual TNUoS charge, whereas, in negative zones the charge of zero would apply.

¹ CAP070 Amendment Proposal and Working Group Report are available on the CUSC website at www.nationalgridinfo.co.uk/cusc/

5. Proposed Modification

5.1 Proposed Changes to the Use of System Charging Methodology

5.1.1 Background

This Modification proposes to change the Use of System Charging Methodology to allow National Grid to charge for additional short term capacity in the event that a User submits a request for STTEC in accordance with the CUSC.

In order to determine the charge for the STTEC product, it is necessary to consider the relevant licence objectives. By proposing a change to the Use of System Charging Methodology, to establish a charge for the proposed STTEC product, the objective of taking account of developments in our Transmission Business is being addressed. The two remaining licence objectives to facilitate effective competition and to reflect, as far as reasonably practicable, the costs incurred by National Grid in its Transmission Business must also be considered in determining the charge for STTEC.

We consider the submission of TEC to be the primary product for gaining access to the system and view STTEC as an incremental addition to this. Any charge for STTEC should reflect this view and should be structured not to disincentivise use of the primary TEC product.

Furthermore, National Grid has additional obligations to consider Users with existing TEC rights and to ensure they are not discriminated against or given commercial incentives not to submit a reflective TEC.

5.1.2 Discussion

We believe that a STTEC Charge set to zero in positive generation charging zones would create a disincentive to the TEC product and would not facilitate competition in generation.

In order to facilitate competition we believe the STTEC charge should be based upon the charge levied for TEC. Furthermore, given the inherent flexibility of STTEC, we believe that should a User use the STTEC product instead of obtaining annual TEC then this should be at a premium to the TEC equivalent annual charge. The TEC TNUoS charge is an annual product normally paid by Users. The equivalent TEC charge is therefore the annual TEC TNUoS charge pro-rated in some way to the duration of the STTEC period.

Positive Generation Charging Zones

One possible argument on the grounds of facilitating competition could be to ensure that the granting of STTEC to any generator does not result in access to the system at a cost below any other generator. This would suggest the STTEC charge should be linked to the highest TEC TNUoS generation charge i.e. the highest generation zonal tariff. If the STTEC charge is fundamentally the TEC equivalent plus a premium, in this case the premium will vary locationally from zone to zone.

Whilst such a charge for STTEC would not create a disincentive for TEC, it does have a number of drawbacks. The attractiveness of the STTEC product would vary locationally. This could be argued that this would be discriminatory and would not facilitate competition, particularly for generation subject to the smallest positive

generation tariffs. In addition, this approach is unlikely to be particularly robust in the development of a GB Charging Methodology.

A second option to address the issue of facilitating competition could be to ensure the granting of STTEC to a generator does not result in access to the system at a cost below any other generator in the same TNUoS generation tariff zone.

This could be achieved by considering that the main benefit of STTEC will be to provide a route for mothballed generators to access the system, particular over the winter months. Previous analysis in charging Modification UoSCM-M-11² showed that 90% of the annual charge was attributed to the peak capacity period. If the peak period is considered to be November to February inclusive (a period of 120 days) then a weekly charge could be derived from 90% of the zonal tariff multiplied by 7/120.

Such a STTEC charge would ensure that there is no locational incentivisation of STTEC over TEC as the STTEC charge will be a fixed percentage of the TEC equivalent for a generator in the same locality.

Negative Generation Charging Zones

Within negative charging zones, a positive charge for STTEC would certainly be unattractive. A negative charge for STTEC within negative charging zones would also be unattractive since a proportion of the generation tariff would require complex reconciliation arrangements given the generator should be subject to a 'proving run' within the STTEC period. If the STTEC charge were based on 90% of the tariff then there would be the potential for generators to receive more than the 100% TNUoS payment, which would incentivise STTEC over TEC in negative zones. Consequently, we believe a zero charge for STTEC would be appropriate within negative charging zones.

Application Fee

It is appropriate that an application fee should be levied to cover the works undertaken to assess each request by a User for STTEC. The STTEC Request Fee would be defined in the CUSC and the amount published in the Statement of Use of System Charges. Due to the nature of the STTEC product and the proposed application mechanism we believe the STTEC Request Fee should be fixed and non-refundable. It is proposed that the charge be based on the application fee for increases in TEC as we believe the amount of work required will be comparable. The fee may be revised once actual costs of processing STTEC requests become available.

5.1.3 Proposal Summary

On balance, we believe that a daily STTEC charge for generation in positive TNUoS tariff zones based on 90% of the zonal tariff pro-rated over a winter period of 120 days, with a zero charge for generation in a negative tariff zone, would better meet the relevant licence objectives and would not be discriminatory.

² UoSCM-M-11 Modification Proposal and associated documents are available on the Charging website at

http://www.nationalgridinfo.co.uk/charging/mn_consultations_archive.html

This is expressed in the following formula:

$$\frac{FT_{Gi} \times 0.9 \times STTEC \text{ Period}}{120} = \text{STTEC tariff (£/kW/period)}$$

Where:

FT	=	Final annual TNUoS Tariff expressed in £/kW
Gi	=	Generation zone
STTEC Period	=	A period applied for in days as defined in the CUSC

It should be noted that the marginal infrastructure costs incurred in terms of the investment to provide STTEC are zero as it would only be allocated if capacity is available on an economic basis. However, we believe that STTEC should be charged at a level that would not undermine TEC as the primary product for gaining access to the system and securing the associated investment signal.

For the avoidance of doubt, STTEC will not be used in the DCLF transport model. TEC data is included in the DC load flow (DCLF) transport model for the purpose of tariff setting and it is not proposed to change this process as a result of this consultation.

The proposed new text for The Statement of the Use of System Charging Methodology can be found in Appendix 1 to this document.

The proposed fee may be found in the proposed drafting of the Statement of Use of System charges in Appendix 2 of this document.

5.2 Justification for proposed modification

The proposed modification would better meet the Relevant Objectives in Licence Condition C7A 5(a), (b) and (c) of:

- facilitating effective competition in the generation and supply of electricity and (so far as is consistent therewith) in the sale, distribution and purchase of electricity; and
- to result in charges which reflect, as far as reasonably practicable, the costs incurred by National Grid in its Transmission Business; and
- taking account of the developments in National Grid's Transmission Business.

The modification will achieve these objectives in the following manner:

- by ensuring appropriate treatment between Users incurring TNUoS generation charges;
- by ensuring that TEC remains the primary basis for TNUoS charges levied to gain access to the system and that STTEC charges do not undermine the investment signal derived from the demand for TEC;
- by ensuring charging methodologies reflect developments within National Grid's Transmission Business i.e. CUSC Amendment Proposal CAP070.

5.3 Implementation date

This modification is proposed for implementation for the 2004/05 winter and is dependent upon completion of the associated CUSC governance process for CAP070. It should be noted that under the licence condition C7 5(a) 150 days notice to the Authority of any proposal to change the use of system charges is required. Therefore implementation for the start of the winter may need consent from the Authority for a shorter implementation notice period.

However, as this will effectively be a new charge with a limited application in winter 2004/05 since the TEC values applicable are already registered, we believe that an early implementation may bring greater benefits than are removed by a shortened notice.

5.4 Proposed Changes to the Statement of the Use of System Charging Methodology

It is proposed that the Statement of the Use of System Charging Methodology be modified in line with the agreed methodology. Some suggested text in line with the initial proposal is shown in Appendix 1 to this document.

5.5 Proposed Changes to the Statement of Use of System Charges

The Statement of Use of System Charges will change as a result of this modification proposal. Proposed changes may be found in Appendix 2 to this document.

5.6 Indicative Impact on the Use of System Charges

A new STTEC charge and STTEC Request Fee will be established, and these are indicated in Appendix 2.

Whilst National Grid is required to set tariffs to reflect our overall revenue restrictions, as the anticipated revenue stream from STTEC would be relatively small, it is reasonable to expect that the overall level of revenue to be recovered via TNUoS, and therefore TNUoS Generation and Demand Charges, will be unchanged.

5.7 Impacts on Other Industry Documents

An amendment is proposed to the Connection and Use of System Code in conjunction with this modification proposal to the Use of System Charging Methodology. The CUSC Amendment Proposal (CAP070) would introduce, if implemented, a Short Term Access Service.

6. Responses to this Consultation

Comments and views are invited on all the issues raised in this consultation document. In order that your comments and views are included in National Grid's report to the Authority, responses must be received by **7 July 2004**. If you wish to provide comments on this modification proposal, responses are welcome via email to:

richard.lavender@ngtuk.com

Or alternatively, written comments may be addressed to:

Richard Lavender
Commercial Frameworks
National Grid Transco
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Please clearly mark any response that should be treated on a confidential basis, the detail of which will not be published within the final report to this consultation paper.

If you have further queries, please do not hesitate to contact Richard on **01926 656447**.

Appendix 1 – Proposed revised wording of Chapters 3, 5 & 7 of the Use of System Charging Methodology

Chapter 3: Derivation of the Transmission Network Use of System Energy Consumption Tariff and Short Term Transmission Entry Capacity Tariff

TNUoS Energy Consumption Tariff

- 3.1 For the purposes of this section, Lead Parties of Balancing Mechanism (BM) Units that are liable for Transmission Network Use of System Demand Charges are termed Suppliers.
- 3.2 Following calculation of the Transmission Network Use of System £/kW Demand Tariff (as outlined in **Chapter 2: Derivation of the Transmission Network Use of System Tariff**) the p/kWh energy consumption tariff for each GSP Group is calculated as follows:

$$\text{p/kWh Tariff} = \frac{(\text{NHHDF} * \text{£/kW Tariff}) * 100}{\text{NHC}_g}$$

Where:

£/kW Tariff = The £/kW Demand Tariff (£/kW), as shown in Schedule 1 of **The Statement of Use of System Charges**, for the GSP Group concerned.

NHHD_F = National Grid's forecast of Suppliers' non-half-hourly metered Triad Demand (kW) for the GSP Group concerned. The forecast is based on historical data.

NHC_g = National Grid's forecast of GSP Group non-half-hourly metered total energy consumption (kWh) for the period 16:00 hrs to 19:00hrs inclusive (i.e. settlement periods 33 to 38) inclusive for the year 1 April to 31 March for the GSP Group concerned.

Short Term Transmission Entry Capacity Tariff

- 3.3 The Short Term Transmission Entry Capacity tariff for positive zones is derived from the relevant annual TNUoS £/kW tariff. The premium associated with the flexible product is associated with the analysis that 90% of the annual charge is linked to the system peak. The system peak is likely to occur in the period of November to February inclusive (120 days, irrespective of leap years). The calculation for positive generation zones is as follows

$$\frac{FT_{Gi} \times 0.9 \times \text{STTEC Period}}{120} = \text{STTEC tariff (£/kW/period)}$$

Where

<u>FT</u>	=	<u>Final annual TNUoS Tariff expressed in £/kW</u>
<u>Gi</u>	=	<u>Generation zone</u>
<u>STTEC Period</u>	=	<u>A period applied for in days as defined in the CUSC</u>

- 3.4 For the avoidance of doubt, the charge calculated under 3.3 above will represent each single period application for Short Term Transmission Entry Capacity. Requests for multiple STTEC periods will result in each STTEC period being calculated and invoiced separately.
- 3.5 The STTEC tariff for negative zones is set to zero to prevent users receiving greater than 100% of the annual TNUoS payment that would have been received for that capacity under a firm TEC.
- ~~3.3.6~~ The tariffs applicable for any particular year are detailed in National Grid's **Statement of Use of System Charges** which is available from the **Charging website**. Historical tariffs are also available on the **Charging website**.

Chapter 5: Generation charges

Parties Liable for Generation Charges

- 5.1 The following parties shall be liable for generation charges:
- i) The Lead Parties of BM Units comprising Licensable Generation which form the whole or part of a Power Station or Trading Unit that is capable of exporting 100MW or more to the Total System, as agreed with National Grid.
 - ii) The Lead Parties of BM Units comprising generation that have a Bilateral Connection Agreement with National Grid.
 - iii) Interconnector Asset Owners of Interconnectors capable of exporting 100MW or more to the Total System.
- 5.2 **Appendix TN-5: Classification of parties for charging purposes** provides an illustration of how a party is classified in the context of Use of System charging and refers to the relevant paragraphs most pertinent to each party.

Basis of Generation Charges

- 5.3 The value of generation to be multiplied by the relevant generation tariff, for the calculation of generation charges, is set out below. For the avoidance of doubt, the intention of the charging rules is to charge the same physical entity only once.
- 5.4 The basis of the generation charge for Power Stations and Interconnectors is the Chargeable Capacity [and the short term chargeable capacity](#) (as defined below for positive and negative charging zones).

Positive Charging Zones

- 5.5 The Chargeable Capacity for Power Stations situated in positive charging zones is the highest Transmission Entry Capacity (TEC) applicable to that Power Station for that Financial Year. A Power Station should not exceed its TEC as to do so would be in breach of the CUSC, except where it is entitled to do so under the specific circumstances laid out in the CUSC [\(e.g. where a User has been granted Short Term Transmission Entry Capacity, STTEC\)](#).
- 5.6 [The short term chargeable capacity for Power Stations situated in positive charging zones is any approved STTEC applicable to that Power Station during a valid STTEC Period.](#)
- 5.7 The Chargeable Capacity for an Interconnector connected to a positive charging zone is the highest TEC applicable to that Interconnector for that Financial Year. An Interconnector should not exceed its TEC as to do so would be in breach of the CUSC, except where it is entitled to do so under the specific circumstances laid out in the CUSC. [\(e.g. where a User has been granted Short Term Transmission Entry Capacity, STTEC\)](#).
- 5.8 [The short term chargeable capacity for an Interconnector connected to a positive charging zone is any approved STTEC applicable to that Interconnector during a valid STTEC Period.](#)

Negative Charging Zones

- 5.9 The Chargeable Capacity for Power Stations and Interconnectors situated in negative charging zones is the average of the capped metered volumes during the three settlement periods described in [5.10](#) below, for the Power Station (i.e. the sum of the metered volume of each BM Unit associated with Power Station) or Interconnector. A Power Station or Interconnector should not exceed its TEC as to do so would be in breach of the CUSC, except where it is entitled to do so under the specific circumstances laid out in the CUSC ([e.g. where a User has been granted Short Term Transmission Entry Capacity, STTEC](#)). If TEC is exceeded, the metered volumes would each be capped by the TEC for the Power Station or Interconnector applicable for that Financial Year.

[5.85.10](#) The three settlement periods are those of the highest metered volumes for the Power Station or Interconnector and the two half hour settlement periods of the next highest metered volumes which are separated from the highest metered volumes and each other by at least 10 Clear Days, between November and February of the relevant Financial Year inclusive. These settlement periods do not have to coincide with the Triad.

Example

If the highest TEC for a Power Station were **250 MW** and the highest metered volumes and resulting capped metered volumes were as follows:

Date	19/11/02	13/12/02	6/2/03
Highest Metered Volume in month (MW)	245.5	250.3	251.4
Capped Metered Volume (MW)	245.5	250.0	250.0

then the chargeable Capacity for the Power Station would be:

$$\left(\frac{245.5 + 250 + 250}{3} \right) = 248.5 \text{ MW}$$

Note that in the example above, the Generator has exceeded its TEC on 13 December 2002 and 6 February 2003 and would therefore be in breach of the CUSC.

- 5.11 [The short term chargeable capacity for Power Stations situated in negative charging zones is any approved STTEC applicable to that Power Station during a valid STTEC Period.](#)

Monthly Charges

[5.95.12](#) Initial Transmission Network Use of System Generation Charges for each Financial Year will be based on the Power Station Transmission Entry Capacity (TEC) for each User as set out in their Bilateral Agreement. The charge is calculated taking the forecast Chargeable Capacity and multiplying it by the zonal £/kW tariff. This annual TNUoS generation charge is split evenly over the 12 months and charged on a monthly basis over the year. For positive charging zones, if TEC increases during the charging year, the additional annual charge incurred will be recovered uniformly across the remaining chargeable months in the relevant charging year. For negative charging zones, any change in TEC during the year will lead to a recalculation of the monthly charges for the remaining chargeable months of the relevant charging year. As a result, if TEC increases, monthly payments to the generator will increase accordingly, and if TEC decreases, monthly payments will fall accordingly.

Ad hoc Charges

5.13 [For each STTEC period successfully applied for, a charge will be calculated by multiplying the Short Term Transmission Entry Capacity by the tariff calculated in accordance with Paragraph 3.3. NGC will invoice Users for the STTEC charge once the application for STTEC is approved.](#)

Reconciliation of Generation Charges

[5.405.14](#) The reconciliation process is set out in the CUSC.

Further Information

[5.445.15](#) **The Statement of Use of System Charges** contains the £/kW generation zonal tariffs for the current Financial Year.

Chapter 7: Applications

- 7.1 Application fees are payable in respect of applications for new use of system agreements, ~~and~~ modifications to existing agreements and applications for STTEC based on the reasonable costs National Grid incurs in processing these applications. Users can opt to pay a fixed price application fee (derived from analysis of the historical costs of similar applications) in respect of their application or pay the actual costs incurred. The fixed price fees for applications are detailed in the **Statement of Use of System Charges**.
- 7.2 For the avoidance of doubt, the STTEC Request Fee is fixed and is non-refundable in accordance with the CUSC.

7.27.3 If a User chooses not to pay the fixed fee, the application fee will be based on an advance of National Grid Engineering and out-of pocket expenses and will vary according to the size of the scheme and the amount of work involved. Where actual expenses exceed the advance, National Grid will issue an invoice for the excess. Conversely, where National Grid does not use the whole of the advance, the balance will be refunded.

7.37.4 With the exception of the STTEC Request Fee, National Grid will refund application fees and consent payments made under the Construction Agreement either on commissioning or against the charges payable in the first three years of the new or modified agreement. The following conditions apply:

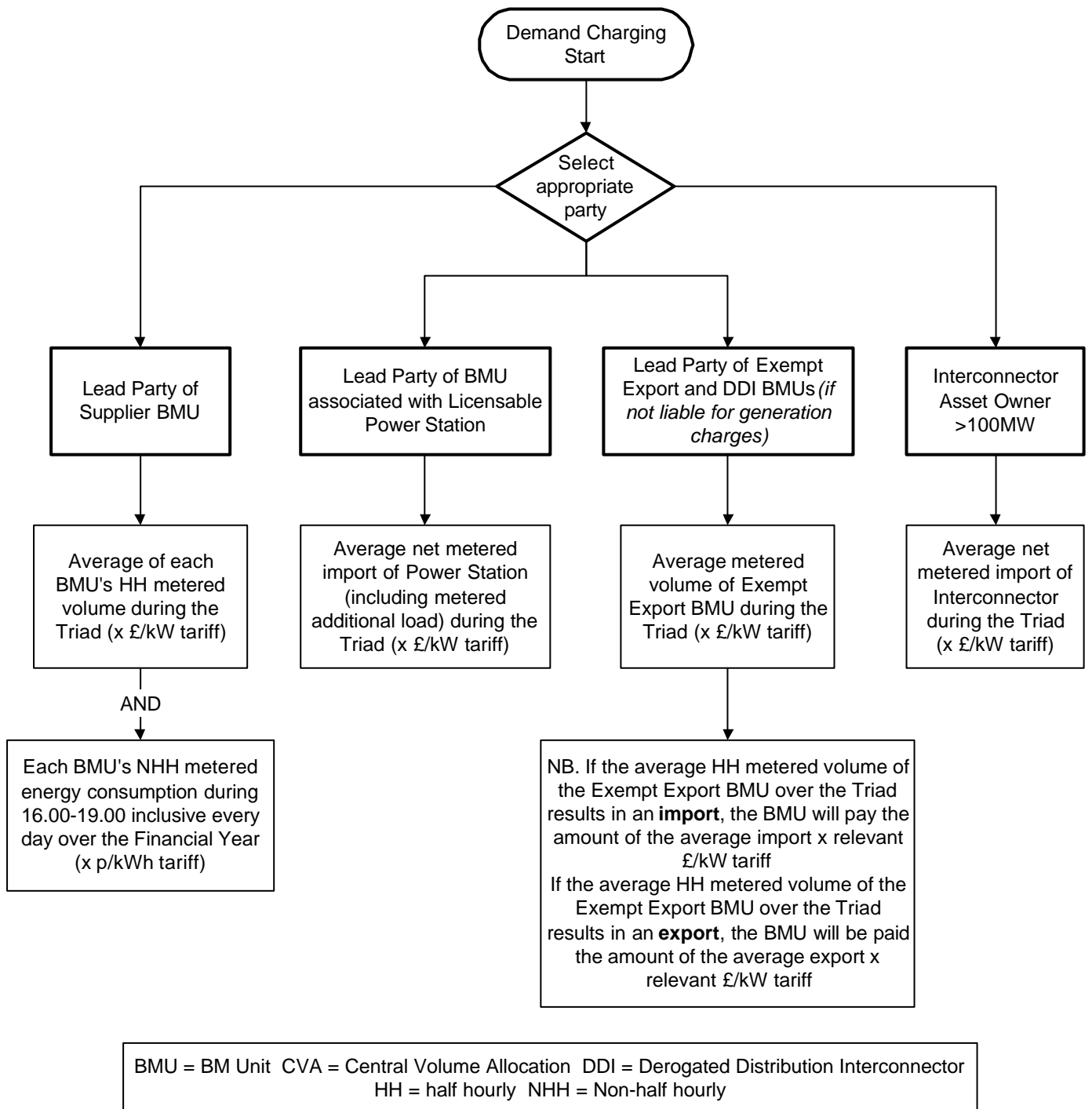
- The refund will be net of external costs;
- Where a new or modified agreement is signed and subsequently modified at the User's request before any charges become payable, National Grid will refund the original application fee. National Grid will not refund the fees in respect of the subsequent modification(s).

Appendix TN-6: Transmission Network Use of System Charging Flowcharts

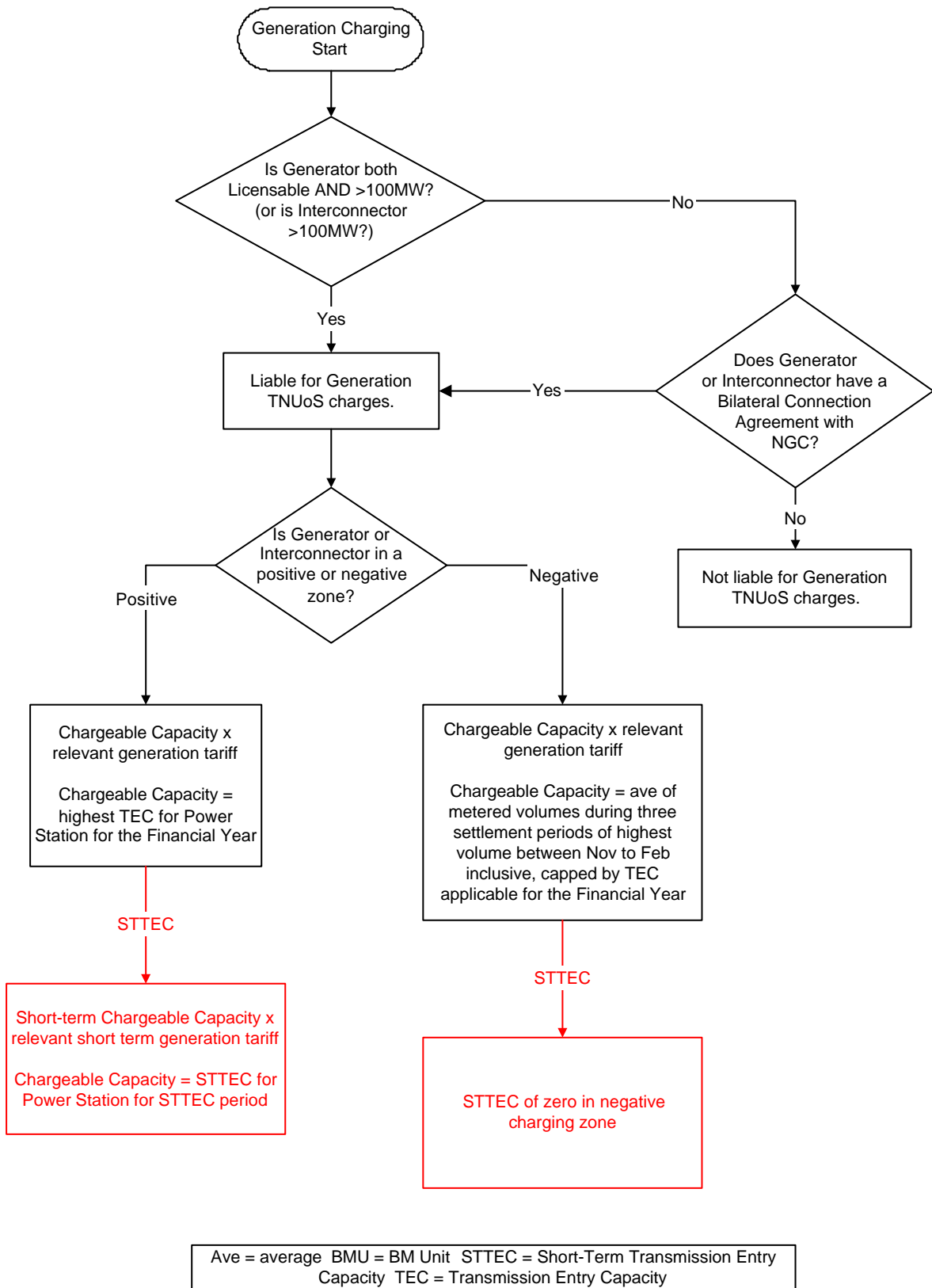
The following flowcharts illustrate the parties liable for Demand and Generation TNUoS charges and the calculation of those charges.

In the event of any conflict between this Appendix and the main text within this Statement, the main text within the Statement shall take precedence.

Demand Charges



Generation Charges



Glossary

Short Term Transmission Entry Capacity (STTEC)

As defined in the Connection and Use of System Code

STTEC Period

As defined in the Connection and Use of System Code

STTEC Charge

The product of the STTEC and the STTEC tariff calculated in accordance with Paragraph 3.3 and 3.5 of The Statement of Use of System Charging Methodology

Appendix 2 – Proposed Revised Tables for the Statement of Use of System Charges

Schedule 1

Schedule of Transmission Network Use of System Generation Charges (£/kW) in 2004/2005

Generation Zone	Zone Area	Generation Tariff (£/kW)	Short Term Generation Tariff (£/kW)		
			STTEC Period = 28 days	STTEC Period = 35 days	STTEC Period = 42 days
1	Northern	9.009237	1.891940	2.364925	2.837910
2	Humberside	5.767201	1.211112	1.513890	1.816668
3	North West	6.222266	1.306676	1.633345	1.960014
4	Pennines & North Wales	4.121912	0.865602	1.082002	1.298402
5	Dinorwig	10.715347	2.250223	2.812779	3.375334
6	Anglesey	7.011370	1.472388	1.840485	2.208582
7	East Anglia	2.889748	0.606847	0.758559	0.910271
8	West Midlands	2.032089	0.426739	0.533423	0.640108
9	South Wales & Gloucs	-2.150590	0.000000	0.000000	0.000000
10	Oxon & Bucks	0.004330	0.000909	0.001137	0.001364
11	Estuary	1.733641	0.364065	0.455081	0.546097
12	Central & SW London	-6.604821	0.000000	0.000000	0.000000
13	South Coast	-1.507146	0.000000	0.000000	0.000000
14	Wessex	-3.829097	0.000000	0.000000	0.000000
15	Peninsula	-6.836065	0.000000	0.000000	0.000000

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. 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 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 National Grid 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 North is defined as the Transmission Network Use of System generation tariff zones 1 to 6 inclusive. South is defined as the TNUoS generation tariff zones 7 to 15 inclusive. It should be noted that the zone to which a particular user is applying is determined by the location of the connection to the National Grid's transmission system and not by the geographical location of the user's plant and equipment.

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

Table A: Fixed Prices for New Bilateral Agreements

		MW	Fee (£'000)	Agreement Type (as Table C)
1	Directly connected generation: North	<300	35 + VAT	Bilateral Connection Agreement
		=>300 <1320	70 + VAT	
=>1320		100 + VAT		
1	Directly connected generation: South	<300	25 + VAT	Bilateral Connection Agreement
		=>300 <1320	50 + VAT	
		=>1320	70 + VAT	
2	Directly connected reactive only service provider	-	20 + VAT per site 10 + VAT for each additional/alternative site	Bilateral Connection Agreement
3	Embedded generation	=>100 =>50 <100	10 + VAT no application fee	Bilateral Embedded Generation Agmt
4	Embedded generation*	<50	no application fee	refer to National Grid
5	New supply point	-	40 + VAT	Bilateral Connection Agreement

6	Suppliers	-	no application fee	Contained in CUSC
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*Applies to the BSC Party registering the generation

Table B: Fixed prices for Modifications to existing Bilateral Agreements

		MW	FEE (£'000)	Agreement Type (as Table C)
7	Addition/reduction of directly connected generating capacity: North	<300 =>300 <1320 =>1320	35 + VAT 70 + VAT 100 + VAT	Bilateral Connection Agreement
	Addition/reduction of directly connected generating capacity: South	<300 =>300 <1320 =>1320	25 + VAT 50 + VAT 70 + VAT	Bilateral Connection Agreement
8	Removal after 2 years of option for direct connection of reactive only service provider	-	2.5 + VAT per site	Bilateral Connection Agreement
9	Addition/reduction of embedded generation	=>100 =>50 <100	10 + VAT no application fee	Bilateral Embedded Generation Agreement
10	Addition/reduction of embedded generation**	<50	no application fee	refer to National Grid
11	Addition/reduction of transformer at existing supply point	-	35 + VAT	Bilateral Connection Agreement
12	Modifications to existing supply points and agreements	-	20 + VAT	Bilateral Connection Agreement
13	Modifications to alter connection/ commissioning dates	-	30 + VAT	Bilateral Connection Agreement
14	Increase in Transmission Entry Capacity (TEC)	-	10 + VAT	Bilateral Connection Agreement/Bilateral Embedded Generation Agreement
15	Request for Short Term Transmission Entry Capacity (STTEC)	-	10 + VAT	Bilateral Connection Agreement/Bilateral Embedded Generation Agreement

**Applies to the BSC Party registering the generation.

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