

GB SQSS & GB Charging Methodologies Interaction

Response to Ofgem comments

CISG

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Issue

- ◆ Shallow Connection policy:
 - ◆ New Connections > 2km Infrastructure Assets
 - ◆ Cost recovered through TNUoS
- ◆ SQSS requires double circuit except by customer request
 - ◆ Limited benefit to User
- ◆ Issues
 - ◆ Onshore, OHL connections
 - ◆ Islands, long lengths of cable
 - ◆ Offshore, cable networks
- ◆ Focus on Onshore and Islands

Options

- ◆ Several solutions - no quick wins
 - Limited change to Charging Methodologies – e.g. Zonal SF adjustment for zones with cables
 - Adjustment of 2km spur boundary rule - Spurs become connection
 - Access product for customer choice connections
 - CCTEC
- ◆ Fundamental change to methodology - nodal application of security factor and tariffs

Next Steps

- ◆ Response to Ofgem
- ◆ Further analysis of options
- ◆ Consultation / initial thoughts
- ◆ Interaction:
 - ◆ Offshore project
 - ◆ Transmission Price Control
 - ◆ CUSC obligations / rights