

Issue	Revision
4	0

The Statement of Use of System Charges

Effective From 1 April 2004

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

Contents

INTRODUCTION	3
SCHEDULE 1	4
Schedule of Transmission Network Use of System Generation Charges (£/kW) in 2004/2005	4
Schedule of Transmission Network Use of System Demand Charges (£/kW) and Energy Consumption Charges (p/kWh) for 2004/2005	5
Zonal Maps	6
SCHEDULE 2	7
Application Fees for Connection and Use of System Agreements	7
Table A: Fixed Prices for New Bilateral Agreements	7
Table B: Fixed prices for Modifications to existing Bilateral Agreements	8
Table C: Bilateral Agreement Types	9
Table D: Generator Types	9
SCHEDULE 3	10
Charge-Out Rates for National Grid Engineering Charges for Variable Price Applications	10
INDEX TO THE STATEMENT OF USE OF SYSTEM CHARGES (ISSUE 4)	
REVISIONS	11

Introduction

This statement is published in accordance with Licence Condition C7 of National Grid Company plc's (National Grid) Transmission Licence.

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:

www.nationalgrid.com/uk/indinfo/charging

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 2004/2005

Generation Zone	Zone Area	Generation Tariff (£/kW)
1	Northern	9.009237
2	Humberside	5.767201
3	North West	6.222266
4	Pennines & North Wales	4.121912
5	Dinorwig	10.715347
6	Anglesey	7.011370
7	East Anglia	2.889748
8	West Midlands	2.032089
9	South Wales & Gloucs	-2.150590
10	Oxon & Bucks	0.004330
11	Estuary	1.733641
12	Central & SW London	-6.604821
13	South Coast	-1.507146
14	Wessex	-3.829097
15	Peninsula	-6.836065

Schedule of Transmission Network Use of System Demand Charges (£/kW) and Energy Consumption Charges (p/kWh) for 2004/2005

Demand Zone	Zone area	Demand Tariff (£/kW)	Energy Consumption Tariff (p/kWh)
1	Northern	4.940866	0.656585
2	North West	8.325173	1.100254
3	Yorkshire	8.455923	1.171611
4	North Wales and Mersey	8.709914	1.107068
5	East Midlands	10.771600	1.479424
6	Midlands	12.600874	1.733413
7	Eastern	11.007104	1.394934
8	South Wales	16.130442	2.228075
9	South East	14.321101	1.773924
10	London	16.761568	2.430277
11	Southern	15.679987	2.076489
12	South Western	17.798154	2.198679

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 National Grid substation to which the party is connected (or deemed connected via a generation-only spur) is geographically located. For example, if a power station were connected at a National Grid 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 generation charges, the generation charges are levied by reference to the National Grid substation to which the party is connected or deemed connected. National Grid 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 2003 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.

Zonal Maps

Tariff zones are indicated on the following maps:

- Generation Use of System Tariff Zones as at 1 April 2004 (Geographical)
- Demand Use of System Tariff Zones as at 1 April 2004 (Geographical)
- Generation Use of System Tariff Zones as at 1 April 2004 (Electrical)

These are downloadable from the National Grid Charging website as separate PDF files:

www.nationalgrid.com/uk/indinfo/charging

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

*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

**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.

Table C: Bilateral Agreement Types

Bilateral Agreement Type	Description
Bilateral Connection Agreement	In respect of Connection Sites of Users.
Bilateral Embedded Generation Agreement	For Generators with Embedded Large Power Stations or Embedded Medium Power Stations passing power onto a Distribution System through a connection (with a Distribution System) and for BSC Parties who are responsible for Small Power Stations which are Embedded and who are acting in that capacity and who are also trading parties.
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 NGC (but with no other connection to the NGC Transmission System).
Small Power Station	A Power Station with a Registered Capacity of less than 50MW.
Medium Power Station	A Power Station with a Registered Capacity of 50MW or more, but less than 100MW.
Large Power Station	A Power Station with a Registered Capacity of 100MW or more.

Schedule 3

Charge-Out Rates for National Grid 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 National Grid 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 National Grid in relation to its licensed transmission activity. Different rates are likely to apply when National Grid is asked to quote for other work.

	£/day		£/day
Section Manager Internal Solicitor	790	Power System Design Engineer Draughtsman	400
Principal Power System Engineer	645	Graduate Engineer	330
Senior Power System Engineer Project Manager Account Manager Senior Wayleave Officer	520	Administrative Support	265

Index to the Statement of Use of System Charges (Issue 4) Revisions

Issue 4	Modifications	Changes to Pages
Revision 0	New Issue	