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Our Reference GB ECM-24

Dear Stuart,

## **Conclusions report for GB ECM-24 – Offshore Charging Update**

Please find attached the conclusions report for the Use of System Charging Methodology modification proposal GB ECM-24 concerning changes to the way transmission network use of system tariffs are calculated for offshore users.

In accordance with Standard Licence Condition (SLC) C5 of the Transmission Licence, the report sets out:

- (a) the terms originally proposed for the modification;
- (b) the representations made by Users;
- (c) any changes made to the terms of the modification intended as a result of such representations;
- (d) how the intended modification better achieves the relevant objectives; and
- (e) a timetable for implementation of the modification.

National Grid will modify the Use of System Charging Methodology after a period of 28 days unless the Authority directs that the modification should not be made; or, the Authority notifies National Grid that it intends to undertake an impact assessment, in which case implementation will be three months after that notification unless the Authority directs that the modification should not be made.

The consultation for the original proposed modification sought views on the treatment of operational costs associated with reactive power provision at the onshore interface point, but noted that this issue would be progressed separately to the other modification proposals put forward. Consequently, the attached conclusions report does not make a proposal on this matter. Instead, National Grid believes that the development of options to address this issue could be more effectively taken forward outside the remit of the charging methodology. As a result it is intended that the Balancing Services Standing Group will take this issue forward for development.

We will be publishing the conclusions report to all concerned parties in parallel to this letter and will be posting this report on the National Grid charging website. If you have any queries please do not hesitate to contact me.

Yours sincerely,

Patrick Hynes  
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cc Min Zhu, Anthony Mungall