

Transmission Owner (TO) charging statements

Colin Sausman
Associate Director, Ofgem

Context

- Role of transmission owners under BETTA
- Provision of transmission service to NGC
- Each TO has a revenue restriction as a condition of its licence
- Licence obligation to publish a statement setting out the basis on which it intends to levy charges
- The charges are levied by TOs on NGC rather than transmission users
- Contractual framework is the STC

TO charging statements

- Required under Standard Condition J2 of the Transmission Licence (only applies to TOs)
- Standard Condition J2 is broadly the same as the pre-BETTA licence condition for Scottish transmission licensees requiring the publication of charging statements
- Drafts produced by SPTL and SHETL and published for consultation by Ofgem in February
- Statements approved by Ofgem

Implications for users

- Charges to users are determined by NGC's approved methodologies and revenue restriction
- TO charging statements have no direct impact on user charges
- Potential scope for indirect effects, e.g. if information in TO charging statements provides new information to NGC re. nature of charges – which might trigger NGC proposal to modify its methodology consequently
- This would be treated just like any other NGC methodology change proposal