

TNUoS tariffs for 2010/11

This note details the Transmission Network Use of System (TNUoS) tariffs applying from 1 April 2010. Tariffs have been calculated according to the current Charging Methodology¹. Users should note that the Offshore Transmission regime is expected to go-live during 2010/11 and in setting tariffs for 1 April 2010 National Grid has taken a view of the revenues that it will collect on behalf of offshore transmission owners (OFTOs) and the revenue received from offshore users.

In summary, the charging model has been updated to include:

- generation changes reflecting the contracts Users have struck with National Grid and detailed in the October update of the 2009 Seven Year Statement²;
- demand information provided mainly by Distribution Network Owners (DNOs);
- the transmission network data included in the Seven Year Statement;
- the collectable revenues due to changes in allowed revenue of the onshore TOs and forecast revenue allowances of the OFTOs³, which together in total is £1600m; and
- the generation and demand charging bases in 2010/11.

Final zonal tariffs are generally lower than draft zonal tariffs as uncertainties in the allowed revenues regarding strategic investment for onshore transmission licensees and actual revenue recovery over the winter period that were allowed for in draft tariffs have now been removed.

GENERATION TNUoS TARIFFS

Generation TNUoS tariffs are comprised of a wider zonal tariff (which includes a non-locational residual component) and a local tariff, which will contain a substation element for directly connected generators and may also contain a circuit element.

All generation tariffs in this note exclude adjustments for GB ECM-18⁴ (Locational BSUoS). For completeness, however, National Grid has separately published on its website adjusted TNUoS tariffs that would apply if this proposal is not vetoed by the Authority.

Wider zonal tariffs

The table below shows wider zonal generation TNUoS tariffs for 2010/11 compared to 2009/10.

Zone	Zone Name	2009/10 Tariff (£/kW)	2010/11 Tariff (£/kW)	Tariff Changes	
				Absolute	%
1	North Scotland	21.59	20.08	-1.51	-7%
2	Peterhead	20.32	18.71	-1.61	-8%
3	Western Highland & Skye	21.10	22.79	1.69	8%
4	Central Highlands	16.87	17.63	0.76	5%
5	Argyll	13.99	13.34	-0.65	-5%
6	Stirlingshire	14.48	13.44	-1.04	-7%
7	South Scotland	13.60	12.49	-1.12	-8%
8	Auchencrosh	11.24	10.91	-0.33	-3%
9	Humber, Lancashire	6.14	5.42	-0.73	-12%
10	North East England	9.85	8.79	-1.06	-11%
11	Anglesey	6.87	6.17	-0.70	-10%
12	Dinorwig	6.19	5.50	-0.69	-11%
13	South Yorks & North Wales	4.20	3.59	-0.60	-14%
14	Midlands	2.11	1.56	-0.55	-26%
15	South Wales & Gloucester	-1.60	0.39	1.99	-124%
16	Central London	-6.98	-6.41	0.56	-8%
17	South East	0.25	0.81	0.55	217%
18	Oxon & South Coast	-1.39	-1.36	0.02	-2%
19	Wessex	-3.28	-2.64	0.65	-20%
20	Peninsula	-6.68	-5.87	0.81	-12%

¹ [Charging Statements](#) Issue 5, Revision 1

² [Seven Year Statements](#)

³ Based on assumptions described in GB ECM-21 and Ofgem's offshore preliminary information memorandums.

⁴ <http://www.nationalgrid.com/uk/Electricity/Charges/modifications/uscm/>, GB ECM-18

Changes in wider generation tariffs remain in line with the estimates of the locational wider tariff components published in the 2009 Information Paper⁵ and draft tariffs. The main tariff changes have been driven by additional generation in Scotland (Zones 3, 4, and 5), South Wales (Severn Power in Zone 15), and southern areas of England (for example, Grain in Zone 17). The non-locational generation residual component has decreased by £0.31/kW taking account of the increased revenue from local charges⁶.

Onshore local tariffs

All transmission connected generation will be liable to pay a local substation charge. The following table shows the 2010/11 substation local tariffs that will apply to all transmission connected generators where the first transmission substation is onshore. The tariff in £/kW (2 d.p.) depends on the substation rating, connection type, and connection voltage of the substation. These tariffs are unchanged from draft tariffs.

Substation Rating	Connection Type	132kV	275kV	400kV
<1320 MW	No redundancy	0.13	0.08	0.07
<1320 MW	Redundancy	0.30	0.19	0.16
>1320 MW	No redundancy	-	0.26	0.21
>1320 MW	Redundancy	-	0.42	0.34

In addition, generators that are not connected to main interconnected transmission system (MITS) are liable to pay a local circuit charge. The following table below presents the local circuit generation TNUoS tariffs for 2010/11 for onshore generators connected at the listed substation. These tariffs are also unchanged from draft tariffs.

Substation Name	Local Tariff (£/kW)	Substation Name	Local Tariff (£/kW)
Aigas	0.52	Gordonbush	1.16
An Suidhe	0.98	Griffin Wind	1.97
Andershaw	2.21	Hartlepool	0.38
Arecleoch	0.17	Invergarry	-0.50
Auchencrosh	-0.77	Killingholme	0.40
Baglan Bay	0.06	Kilmorack	0.16
Black Law	2.56	Langage	0.45
Carraig Gheal	3.10	Leiston	0.87
Coryton	0.25	Lochay	0.26
Cruachan	1.21	Luichart	0.81
Crystal Rig	0.03	Marchwood	0.38
Culligran	1.24	Mark Hill	-0.60
Deanie	2.03	Millennium	1.26
Didcot	0.58	Mossford	2.67
Dinorwig	3.76	Nant	1.78
DunLaw	0.45	Oldbury-on-Severn	1.32
Earlshaugh	2.15	Orrin	0.00
Edinbane	4.77	Quoich	2.87
Fallago	0.26	Rocksavage	0.01
Farr	4.79	Saltend	0.25
Ffestiniog	0.19	South Humber Bank	0.60
Finlarig	0.22	Spalding	0.22
Foyers	0.52	Strathbora	1.03
Glendoe	1.77	Teesside	0.08
Glenmoriston	1.02	Whitelee	1.43

Offshore local tariffs

Offshore local tariffs have the same structure as onshore local tariffs. However, the tariffs are based on project specific costs. The information needed to calculate these tariffs will be provided by the OFTOs once identified through the ongoing offshore tender process.

In the meantime, National Grid has received information from all developers of offshore transmission schemes completing in 2010/11. Information has been provided on a confidential

⁵ [2009 Information Paper](#)

⁶ Based on confidential information provided by offshore project developers, offshore users will pay ~£50m through offshore local TNUoS tariffs in 2010/11.

basis to enable onshore tariffs to be calculated and to provide illustrative tariffs to relevant offshore generators.

Discount for small generators

The 2010/11 small generation discount, based on 25% of the combined draft generation and demand residuals, is £5.51/kW.

DEMAND TNUoS TARIFFS

The tables below present the zonal half-hourly (HH) and non half-hourly (NHH) demand TNUoS tariffs (including the demand residual) for 2010/11 and include the adjustment for the small generation discount.

Zone	Zone Name	2009/10 Tariff (£/kW)	2010/11 Tariff (£/kW)	Tariff Changes	
				Absolute	%
1	Northern Scotland	3.38	5.87	2.49	74%
2	Southern Scotland	9.07	11.22	2.15	24%
3	Northern	12.06	14.52	2.46	20%
4	North West	16.54	18.43	1.88	11%
5	Yorkshire	16.30	18.34	2.05	13%
6	N Wales & Mersey	16.89	18.89	2.00	12%
7	East Midlands	19.13	20.93	1.80	9%
8	Midlands	20.53	22.69	2.17	11%
9	Eastern	20.01	21.84	1.83	9%
10	South Wales	23.68	22.52	-1.16	-5%
11	South East	23.84	24.63	0.79	3%
12	London	25.90	26.76	0.85	3%
13	Southern	24.47	25.49	1.02	4%
14	South Western	25.63	26.06	0.43	2%

Zone	Zone Name	2009/10 Tariff (p/kWh)	2010/11 Tariff (p/kWh)	Tariff Changes	
				Absolute	%
1	Northern Scotland	0.46	0.79	0.42	91%
2	Southern Scotland	1.14	1.55	0.53	46%
3	Northern	1.60	1.99	0.53	33%
4	North West	2.10	2.55	0.60	29%
5	Yorkshire	2.13	2.52	0.55	26%
6	N Wales & Mersey	2.03	2.63	0.74	37%
7	East Midlands	2.47	2.89	0.59	24%
8	Midlands	2.71	3.18	0.64	24%
9	Eastern	2.53	3.03	0.64	26%
10	South Wales	2.94	3.03	0.26	9%
11	South East	3.06	3.38	0.48	16%
12	London	3.03	3.60	0.78	26%
13	Southern	3.02	3.54	0.70	23%
14	South Western	3.20	3.55	0.53	16%

The locational changes in demand tariffs have also moved in line with the 2009 Information Paper and are driven, in the main, by the same factors that affect generation tariffs albeit in the opposite direction. However, the non-locational demand residual component of the tariffs has increased by £1.62/kW to recover the demand proportion (73%) of the transmission allowed revenues.

POSSIBLE CHANGES TO TARIFFS DURING 2010/11

National Grid has raised GB ECM-21 "Changing Tariffs Mid-year to Implement the Offshore Transmission Regime" to describe how it would calculate revised monthly and annual charging liabilities for generation and demand users in the event there were multiple tariffs within a year. This amendment proposal has been consulted upon and responses can be seen on National Grid's website. A Conclusions Report is being drafted to be submitted to the Authority.

National Grid believes such arrangements are necessary so that information from the offshore tender process can be used to set transmission tariffs that accurately reflect and recover the cost of the entire transmission system. If the proposal is implemented, National Grid would expect to update all TNUoS tariffs after Preferred Bidders have been identified, which is presently anticipated to be April / May 2010.

FURTHER INFORMATION

If you require any further information about TNUoS tariffs please contact the Charging Team on 01926 654633.