

# 2006/7 TNUoS Tariffs

---

**Toby Thornton**

UK Transmission - Commercial

TCMF 21 February 2006

# Structure

---

- ◆ Communication with Industry
- ◆ Summary of Tariff Changes
- ◆ Transport and Tariff Model
- ◆ Analysis of Tariff Changes

# Communication with Industry

---

- ◆ 150 Days notice on 1 November 2005
- ◆ Draft tariffs published 23 December 2005
- ◆ 2 Months notice on 31 January 2006
- ◆ New tariffs applicable from 1 April 2006

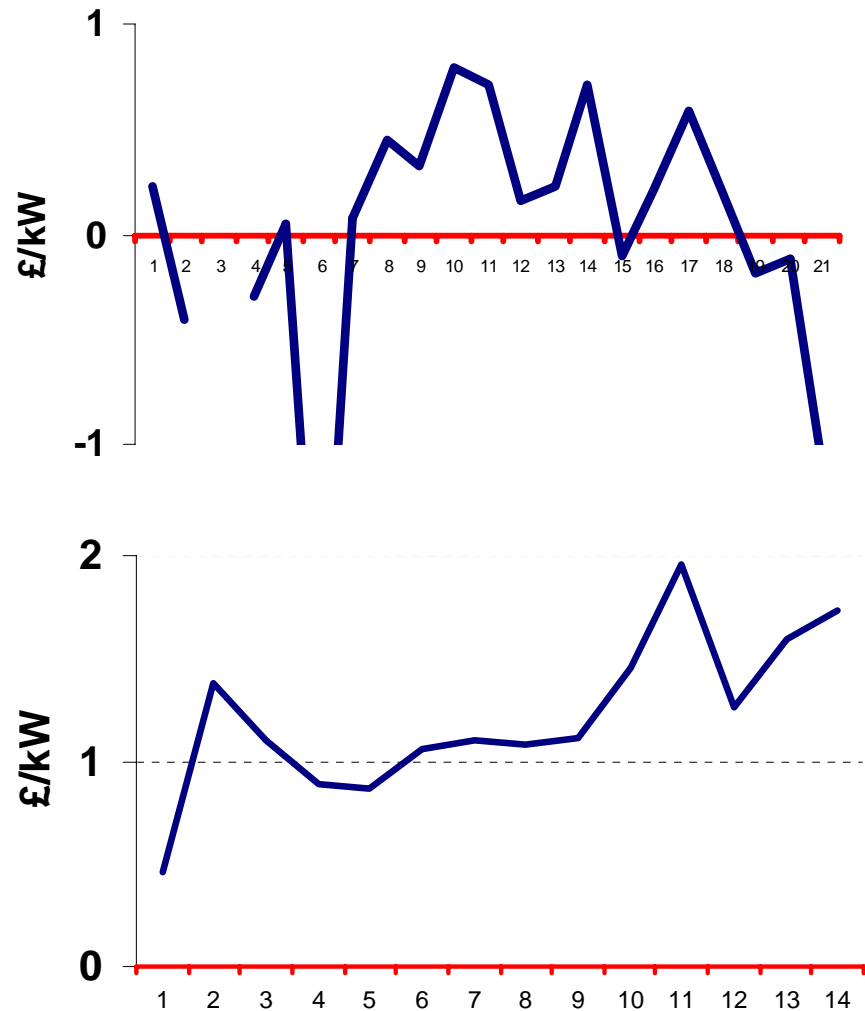
# Summary of Tariff changes

## GENERATION

- ◆ Average increase of £0.32/kW
- ◆ Largest increase £0.79/kW <sub>z10</sub>
- ◆ Largest decrease £2.33/kW <sub>z6</sub>

## DEMAND

- ◆ Average increase of £1.39/kW
- ◆ Largest increase of £1.96/kW <sub>z11</sub>
- ◆ Smallest increase of £0.46/kW <sub>z1</sub>



# Transport and Tariff Model

---

- ◆ Transport Model
  - ◆ Generation Background
  - ◆ Demand Background
  - ◆ Network Topology
- ◆ Tariff Model
  - ◆ Target Revenue
  - ◆ Expansion Constants
  - ◆ Locational Security Factor
- ◆ Zoning
  - ◆ Some Changes

# Transport and Tariff Model

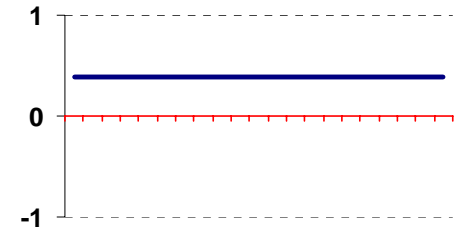
---

- ◆ Target Revenue
- ◆ Generation & Demand Background
- ◆ Expansion Constant and Network

# Analysis of Changes – Generation Tariff

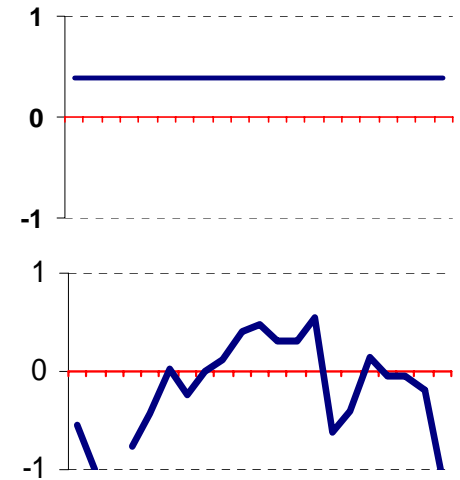
---

- ◆ Target Revenue
  - ◆ Increase of about £100m (10%)
  - ◆ 6% core price control
  - ◆ 3% inflation
  - ◆ 1% adjustments
  - ◆ Equal £/kW affect on all zones



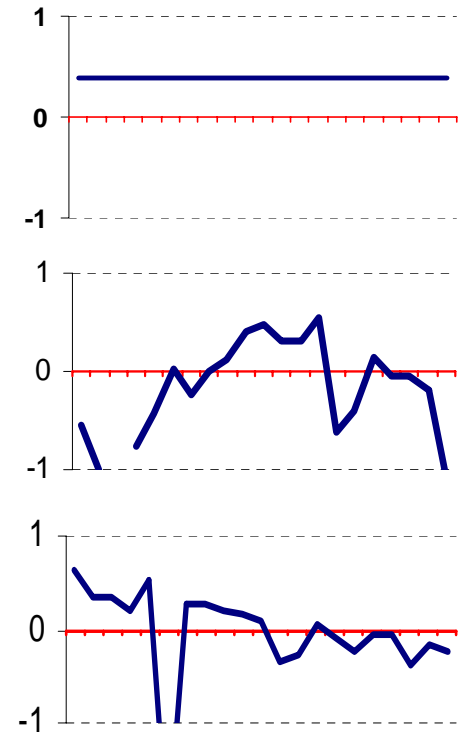
# Analysis of Changes – Generation Tariff

- ◆ Target Revenue
- ◆ Generation and Demand Background
  - ◆ Z3 -£10/kW
  - ◆ Less Gen in North Scotland
  - ◆ +900MW Killingholme
  - ◆ -370MW Littlebrook
  - ◆ SJOW Dem 275kV to 400kV
  - ◆ Indian Queens +20MW Dem



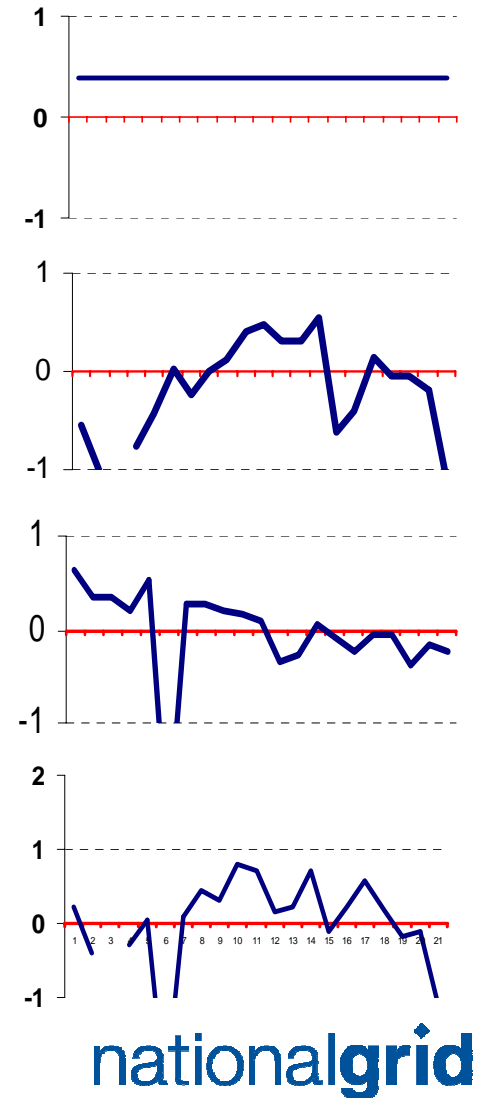
# Analysis of Changes – Generation Tariff

- ◆ Target Revenue
- ◆ Generation and Demand Background
- ◆ Expansion Constant and Network
  - ◆ Network - Cruachan (Z6)
  - ◆ Inflate Expansion Constant by 2.8%
  - ◆ Increases locational differentials



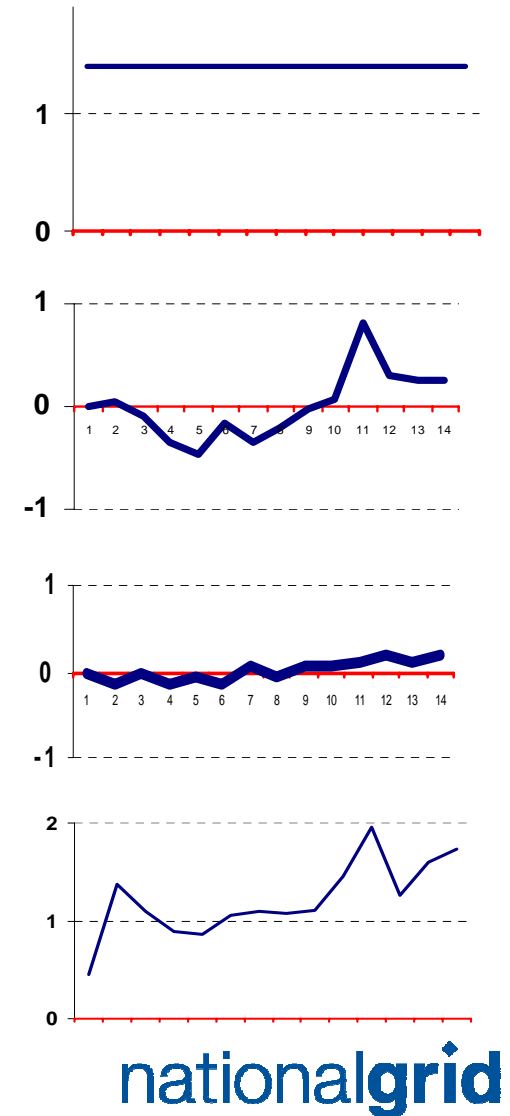
# Analysis of Changes – Generation Tariff

- ◆ Target Revenue
- ◆ Generation and Demand Background
- ◆ Expansion Constant and Network
- ◆ ALL CHANGES



# Analysis of Changes – Demand Tariff

- ◆ Target Revenue
- ◆ Generation & Demand Background
- ◆ Expansion Constant and Network
- ◆ ALL CHANGES



# 2006/7 TNUoS Tariffs

---

**Toby Thornton**

UK Transmission - Commercial

TCMF 21 February 2006