

≡ Scottish and Southern Energy plc

Comments on NGC consultations UoSCM-M-10 and CCM-M-07

Summary

SSE believes that, irrespective of any merits relating to discharge of NGC's licence obligations, the suite of proposed modifications by NGC are ill timed given the introduction of BETTA. The result of these proposals, taken together with zonal transmission losses, will be to impose additional upward pressure on supply prices in the South of England when the industry is facing considerable uncertainty. In addition, these charges would only be in force for one year before a further review as a result of the introduction of BETTA. We therefore recommend not pursuing any of the proposed modifications until they can be consulted upon in the context of BETTA. Any modifications can then be phased in consistent with the proposals for BETTA.

If NGC choose to recommend going ahead with the modifications, then we would support the introduction of the "Plugs" connection charging proposal CCM-M-07. For the Use of system element, we continue to believe that ICRP using Strawman 1b in the July consultation should be used rather than DC load flow as recommended by UoSCM-M-10. Further comments are detailed below.

UoSCM-M-10 - DC load flow, expansion constants and security factor.

SSE continues to believe that the above modifications should not be made. Instead, the existing ICRP methodology should be used with a forward-looking expansion constant and flat application of substations (strawman 1b) as we have stated in the previous consultation.

However, if NGC do recommend the introduction of DC load flow, then a number of circuits should be omitted from the model. Specifically, these are the circuits between Harker and Stella substations and the Scottish border and they appear to have been included in NGC's DCLF model used to derive indicative tariffs. These form part of the Anglo-Scottish interconnector and are funded through the Use of Interconnector (Scotland) Agreement and not use of system. To include them in the tariff model would not be cost reflective, since the costs of these circuits are not recovered through TNUOS. We believe that this would be contrary to Licence condition C7A paragraph 5 (b) which states that "compliance with the use of system charging methodology results in charges which reflect, as far as reasonably practicable, the costs incurred by the licensee in its transmission business."

CCM-M-07 - Plugs and Site Specific Maintenance

We are broadly content with the proposals to redefine the connection / infrastructure boundary so as to remove shared or potentially shared assets into infrastructure. This simplifies the charging arrangements and avoids unexpected swings in connection charges when a party leaves a site.

We also agree with the changes proposed for site specific maintenance, although we believe this will need to be reviewed under BETTA so that existing charge options in Scotland are retained.