

Consultation Process for Modifying Transmission Charging Methodologies

The Transmission Licence (“the Licence”) requires National Grid to keep the Charging Methodologies under review at all times and to make modifications to the Methodologies as may be required for the purpose of better meeting the relevant objectives.

The relevant objectives for the Use of System Charging Methodology are set out in the Licence as:

- (a) facilitating effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitating competition in the sale, distribution and purchase of electricity;
- (b) resulting in charges which reflect, as far as is reasonably practicable, the costs incurred by NGC in its transmission business; and
- (c) that, so far as consistent with the objectives (a) and (b) above, the Methodology, as far as is reasonably practicable, properly takes account of the developments in NGC’s transmission business.

For the Connection Charging Methodology, the relative objectives are all the above plus that of:

- (d) facilitating competition in the carrying out of works for connection to National Grid’s transmission system.

Before making modifications, unless it has been agreed otherwise with the Authority, National Grid will consult with CUSC Users (“Users”) on the proposed changes for a period of at least 28 days during which they can make written representations.

A report will then be submitted to the Authority by National Grid setting out the following:

- the terms originally proposed for the modification
- representations made to National Grid
- any consequent change in the terms of the modification intended
- how the intended modification better achieves the relevant objectives
- a timetable and date for implementation of the modification.

In the event that the Authority has given a direction that the normal consultation process should not apply and an alternative process is to be followed, National Grid will submit a report to the Authority setting out how the intended modification comply with the requirements as specified by the Authority in its direction.

Unless the Authority has, within 28 days of the modification report being furnished to it, given a direction that the modification may not be made, National Grid will make the modification to the relevant Charging Methodology. National Grid will issue a revised statement to the Authority and Users showing the changed Charging Methodology.

The revised Charging Methodology statement will supersede all previous statements from the date of its issue.

Applicable notifications to Users of changes to their charges are set out in the Connection and Use of System Code (CUSC), Section 2 for Connection Charges and Section 3 for Use of System Charges.