

Developmental GB Transmission Charging Methodologies Forum

11 January 2005 – Brandon Hall Hotel, Coventry

Meeting Report

This report outlines the key discussions held at the latest Developmental GB TCMF meeting. Full minutes of the meeting will be agreed at the next meeting, prior to being published on the website.

GB Charging Issues

❖ Revised GB Charging Consultation

National Grid presented a summary of the revised GB Use of System charging methodology proposals. In light of the comments in the Authority's Decision Letter published in December 2004, National Grid highlighted four areas to form the basis of the revised proposals consultation. These areas included an alternative proposal to manage negative demand charges, calculation of the expansion constant & circuit expansion factors and the issue of spare capacity. National Grid proposed to maintain the G/D split of 27:73 currently employed in the England and Wales methodology with a minimum £0/kW demand charge to counter negative demand charges in the north of Scotland. National Grid also proposed Transmission Owner Specific Expansion Factors as a result of a review of the assumptions used to determine the cost of expansion at lower voltages. Transmission Owner (TO) Specific Expansion factors are based on the proportion of circuits likely to be uprated from a lower transmission voltage to 400kV in each TO region, resulting in a lower 132 kV and 275 kV circuit expansion factor. National Grid also confirmed that there was no change in its position on modelling spare capacity and the calculation of the expansion constant.

❖ Next Steps

National Grid confirmed that the Revised Proposals consultation period closes on 21 January 2005 and encouraged Users to respond on the revised proposals. A final conclusions report would then be sent to the Authority on 28 January 2005 shortly before publication of Ofgem's Impact Assessment. National Grid reported that the consultation period of the Impact Assessment was expected to end in mid February with an Authority decision anticipated at the end of February.

❖ Charging Issues Standing Group (CISG)

National Grid confirmed its intention to establish a CISG to enable industry input into charging developments at an early stage. National Grid proposed to evolve the current DCLF Expert User Group, which was established primarily for expertise on the DCLF model, into the CISG. It is envisaged that the established working group will have a formal relationship with the TCMF on charging issues. The Terms of Reference (TOR) for CISG have been circulated for comment, with approval to be discussed at the next TCMF meeting.

❖ Current E & W Charging Issues

No charging issues were discussed.

❖ European Charging Issues

National Grid reported that there was no update on European charging issues

❖ Date of Next Meeting

The next meeting is scheduled for 4 March 2005.

❖ End of Report