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Dear Craig,

GB ECM-05 Consultation Document
Modification Proposal to the Transmission Network Use of System Charging
Methodology to cater for manifest data errors in the calculation of TNUoS tariffs

Thank you for the opportunity to respond to this Consultation Document. This response is submitted on behalf of the UK energy businesses of ScottishPower, namely ScottishPower Energy Management Ltd, ScottishPower Generation Ltd and ScottishPower Energy Retail Ltd.

ScottishPower responded to the pre-consultation document on this issue on 3 July 2006 and is pleased to note that the issue raised in connection with the definition of materiality has now been addressed and reflected in the methodology proposed in this consultation document.

ScottishPower agrees that the likelihood of a manifest error occurring is low but that a robust and transparent mechanism is required to facilitate reconciliation where a manifest error has resulted in a material change to annual TNUoS charges to a user both in the stated case of Cruachan power station and on future occasions.

Definition of Manifest Error

ScottishPower supports the definition of Manifest Error as defined in the consultation Document.

Materiality

The definition of materiality within the Consultation Document achieves a balance between the overall size of the TNUoS charge payable by the user (and thus, indirectly, the size of the user) and an appropriate threshold that is proportionate to the nature of errors likely to occur.

Period Eligible for Reconciliation

ScottishPower agrees that a user should be able to identify a material manifest error within the charging year in which it occurs and therefore errors identified beyond this period should not be eligible for retrospective reconciliation.

Mechanics of Reconciliation

ScottishPower agrees that the use of a post-year reconciliation process will provide stability over a within-year process. Where this is not practical a one-off payment should be used.

I hope you find these comments useful. Should you have any queries on the points raised, please feel free to contact us.

Yours sincerely,

James Anderson
Commercial and Regulation