



David Corby  
Charging & Capacity Development  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Email: [joseph.dunn@scottishpower.com](mailto:joseph.dunn@scottishpower.com)

Tel: 0141 614 1957

Mobile: 07753 624 494

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Dear David,

**Open Letter on Treatment of Anticipatory Investment in Determining the Local TNUoS tariff for the Western Isles Link**

Thank you for the opportunity to respond to the above open letter. In relation to the specific questions asked, please find our responses below:

**Question 1: What are your thoughts on the options presented for treatment of proposed anticipatory investment with respect to the Western Isles link?**

ScottishPower Renewables supports the charging treatment proposed in Option 1 (as proposed by Baringa Partners) that 50% of the total costs of the HVDC cable between Beaulieu and Dundonnell should be included in the local circuit tariff.

In principle, the fact that two cables have been used should not detract from the availability of 900MW capacity being provided on this section of the link against an existing requirement for 450MW. If the additional anticipatory capacity was to be provided through the use of a single 900MW HVDC cable on this section then there would have been no question that only 50% of the total cost should be applied to the local circuit. Option 1 therefore maintains consistency with this principle.

Additionally, the adoption of Option 1 would remove any question of discrimination in the charging treatment of those generators connecting to the first 450MW circuit and those subsequently connecting to the second circuit (if Option 2 was adopted) i.e. two different charge calculations for generators essentially using the same physical transmission assets.

**Question 2: Do you believe that such treatment of anticipatory investment should be more explicit within Section 14 of the CUSC?**

We do not see the need for the treatment in Option1 to be explicitly codified within the CUSC as it represents a reasonable application of the charging methodology as currently described in the Section 14 of the CUSC. Through this open letter and the publication of its conclusions, National Grid will have informed the industry of how it intends to interpret Section 14 in these circumstances.

ScottishPower Renewables Cathcart House, Spean Street, Glasgow G44 4BE  
Telephone 0141 568 4412, Fax 0141 568 4450  
[www.scottishpowerrenewables.com](http://www.scottishpowerrenewables.com)



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**Question 3: Do you have any other thoughts or comments relating to the treatment of anticipatory investment either in the calculation of the local circuit tariff for the Western Isles link or more broadly in the TNUoS charging methodology?**

We have no further comments at this time.

Please call me if you have any queries on any of the matters raised in our response.

Yours sincerely,

Joe Dunn  
**Grid and Regulation Manager**