

CUSC Workgroup Consultation Response Proforma**CMP332: Transmission Demand Residual bandings and allocation (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm** on **27 February 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Paul Mullen at paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Claire Campbell
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For reference the applicable CUSC objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP332 Original Proposal better facilitates the Applicable CUSC Objectives?	Yes.
2	Do you support the proposed implementation approach?	Yes, this is consistent with the joint Project Initiation Document.
3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
Specific CMP332 Workgroup Consultation questions		
5	Based on the mapping table in Annex 6, does the proposed CMP332 solution deliver Ofgem's TCR SCR Direction? Please identify any areas you believe need to be addressed.	CMP332 will not deliver all aspects set out in the TCR Direction, specifically determining residual charging bands and the associated calculation of charges. However, given the other modifications raised by the NGESO, CMP334-336, the mapping table does show that delivery of the Direction will be met.
6	CMP332 solution proposes to have one Transmission Band for the demand residual charge. Do you agree, if not what do you suggest instead, and why?	Yes we agree.
7	The TCR SCR Direction specifies that 24 months of data is required to allocate the customers to charging bands. The Original solution (for CMP332)	Allocating users to bands will be dealt with in CMP335/336. Within the TCR Direction it does not specify the number of months to be used to set bands. For Non-Domestic Aggregated customers the banding will be set on using NHH EAC information, we do

	proposes to use a standard 12 months period for all. What period of historical data do you think is required for setting the bands, and why?	not believe that averaging EACs is appropriate. We believe that data used for banding purposes should be latest annual consumption for NHH customers and the latest maximum billed import capacity for HH customers.
8	If there is any revenue under/over recovery due to the differences between the initial allocation of charging bands vs the outturn of such bands, how should this amount be recovered/rebated?	We believe that any under/over recovery should be dealt with via the existing correction mechanism.
9	Should we use Measurement Classes rather than “No MIC” or “MIC” to determine initial grouping for the charging bands at low voltage, and why?	No we believe that LLFCs should be used. DNOs will be using these to allocated users to bands.
10	Should UMS be included in the banding structure (e.g. LV no MIC) or charged separately on a volumetric basis?	In DCUSA the intention is to retain the status quo i.e recover the residual on a volumetric basis. We believe that for fairness the same method should be used in the CUSC.
11	Do you have any thoughts on any of the suggested options and/or do you believe there any other options for the Workgroup to consider?	No.