

**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](mailto: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](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Marcolette Anastasi
<b>Company name:</b>	Royal Lancaster London
<b>Email address:</b>	MANastasi@royallancaster.com
<b>Phone number:</b>	Click or tap here to enter text.

**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?	Click or tap here to enter text.
2	Do you support the proposed implementation approach?	<p>Lancaster Landmark Hotels are concerned that reform to TNUoS, as a result of the direction given by Ofgem on the Targeted Charging Review, is taking place as early as April 2021 as stated in the CMP332 workgroup consultation report.</p> <p>Whilst we were aware of the pending reform we had not envisaged that implementation would take place so soon after determination giving us little time to reflect these changes into our business and budget for this appropriately. Ofgem were consulting on varying implementation dates ranging from 2021 to 2023.</p> <p>We support the intent of fairer recovery of network costs between users but we, at the very least, ask for suitable notice.</p> <p>There is no defined methodology for knowing the contribution for transmission connected sites which makes it more difficult for us to budget against. There is also concern that some elements remain unresolved, such as the treatment of the remaining forward-looking proportion of the TNUoS tariff which then introduces uncertainty on what our future TNUoS liability is likely to be.</p> <p>We would urge that TNUoS reform be delayed by a year, to April 2022 so that we can account for the new charging recovery arrangements.</p>
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Click or tap here to enter text.

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.	Click or tap here to enter text.
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?	Click or tap here to enter text.
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) 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?	Click or tap here to enter text.
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?	Click or tap here to enter text.
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?	Click or tap here to enter text.

10	Should UMS be included in the banding structure (e.g. LV no MIC) or charged separately on a volumetric basis?	Click or tap here to enter text.
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?	Click or tap here to enter text.