

REPORT TO STC COMMITTEE

SUMMARY NOTES OF BETTA CHARGING USER GROUP (ChuG) MEETING HELD AT SHETL'S PERTH OFFICES ON 30 SEPTEMBER 2005

Attendees:	Stuart Easterbrook	NG
	Louise Wilks	NG
	Jim McCulloch	SP
	Grant McEachran	Ofgem
	David Densley	SHETL (part)
	Mo Sukumaran	SHETL (Chair)

- **ChUG Terms of Reference – STC reporting**

It was agreed that a summary of the meeting would be reported to the STC Committee. Revised ToR which incorporate comments made for agreement at next ChuG.

- **Minutes of the previous meeting**

The minutes of previous ChuG were reviewed and accepted.

- **Non Firm Generation Connections**

SHETL presented a paper on Non-Firm Generation Connection Arrangements. The paper highlighted that post BETTA the “default” position, compliant with GBSQSS is for the TO to make connection offers to SO on Firm security basis. There appears to be no incentive to generators to reduce costs by accepting a non-firm connection offer. NG suggested SO could ask for a non-firm connection if it feels this is the overall least cost option and benefits the customer. It was suggested that a number of ways an incentive scheme could encourage non-firm connections eg CAP48 CUSC approach. Ofgem advised that any proposal needs to be consistent with “plug” not “deep” connection charging policy. Furthermore, this matter could be a price control issue, particularly if affected parties applied for restrictions in their connection agreement to be removed by provision of GBSQSS-compliant infrastructure. SHETL to advise on the short and long term benefits/economics, volume, costs involved, views of transmission parties and impact on charging rules. Also provide examples. NG to detail the options on customer choice and impact on charging methodologies. Outcome of further discussions to be reported at next ChuG.

- **Charging Data Deliverables under STCPs 14.1 and 14.2**

Under STCP 14.1 NG will e-mail by 1 October 2005 a request to SP and SHETL requesting data for calculation of site-specific maintenance and transmission running cost. The TOs to provide the data by 31 October 2005.

STCP 14.2 – NG will discuss initial proposals and options on site-specific maintenance with SHETL/SP to check feasibility/impact on TOs for data exchange. SHETL/SP to check that asset replacement are reported to NG (SO) and Modification Notice raised.

- **Transmission Running Cost**

NG advised that the GBSO TRC figure of 1.64% for 2006/07 is likely to remain unchanged. However, SHETL/SP will provide data under STCP 14.1 to allow NG to monitor the TRC figures.

- **Other Charging Data**

NG will e-mail by 1 October 2005 a request to SHETL and SP requesting data for calculation of Allowed Revenue and other TO Charging Revenue. The TOs to provide the data by 31 October 2005.

- **TO Charging Statement**

SHETL and SP reported that their TO Charging statement is being reviewed for 2006/07 and will include some clarifications. The review will take note of Ofgem letter of 1 April 2005 which approved the TO's 2005/06 TO Charging Statement.

NG are about to publish their conclusions on charging one-off charges for certain inter-trip protection arrangements. TOs to consider their position on charging for this. The "TOCAs" may reflect charging for different types of schemes for Infrastructure and Connection.

NG to produce a note on the inconsistencies, from GBSO point of view, emerging from SP and SHETL TO Statements.

- **GBSO Charging**

NG gave an update on the review that is currently being undertaken to clear the 6 conditions imposed by Ofgem in conditionally approving NG's charging statements. It was agreed that NG would discuss with SP and SHETL any proposal that could have material effect on data exchange under STCP 14.2.

- **CUG Update / Issues**

Capital Contributions – GAV breakdown data

NG requested breakdown of GAV data in TOCAs for capital contribution offers and outlined reasons. This matter had been discussed at the CUG and referred to ChuG. NG confirmed that only the value is requested and not cost information. SHETL queried the need for this and mentioned the workload and volume. NG said that this would be needed in the event of termination of assets or refurbishment/asset renewal. NG suggested that, one option is to provide this breakdown for all new offers from April 2006 and offers that have been signed. SP and SHETL to consider this proposal and report at next ChuG.

Self Build Connections

NG advised that customers in SHETL's area have asked for contestability and self-build option. There is a need to develop commercial and charging policies for self-build for the interim and longer term. NG to organise a meeting to develop policy and processes on contestability and self-build.