

2012/13 Wider Cancellation Charge Statement

Version 1

Effective from 1st October 2012

Based Upon:

User Commitment Methodology

contained within

Section 15
of the Connection and Use of System Code

1. Wider Cancellation Charge Tariff Statement

1.1 Introduction

This document is a statement which contains the 2012/13 tariff for the Wider Cancellation Charge payable by users who wish to terminate agreements and/or reduce Transmission Entry Capacity (TEC) or Developer Capacity.

This document also shows the various parameters and variables used to calculate this tariff.

1.2 Background

New arrangements for generation user commitment have been codified as section 15 of the Connection Use of System Code (CUSC) as a result of the CUSC Modification Proposal (CMP) 192. The new arrangements will replace the interim Final Sums methodology and the Interim Generic User Commitment Methodology (IGUCM) for generators, and will take effect from 1 April 2013.

The new arrangements comprise of a generic liability to cover broad system investment (Wider), and a specific liability to cover local generator-driven investment (Attributable).

For full details of the arrangements please refer to the Connection and Use of System Code section 15.

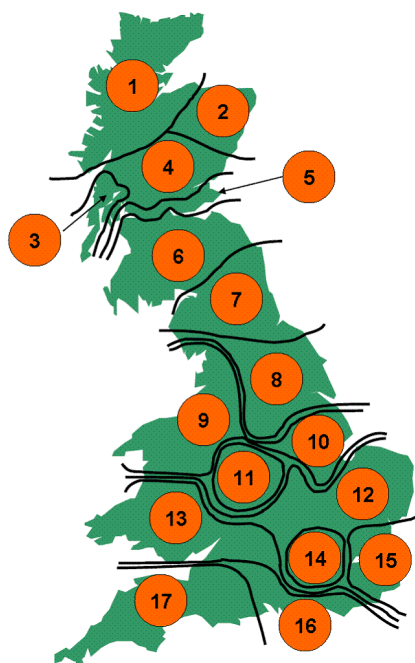
A National Grid guidance document is also available at:

http://www.nationalgrid.com/NR/rdonlyres/16CC2A9D-6732-4C49-A78B-6A9557159AAB/53464/CUSC_15_CMP192_guidance_v1.pdf

1.3 2012/13 Cancellation Charge Tariff Statement

Zone	Tariff (£/MW)
Z1	£16,993.83
Z2	£12,785.25
Z3	£12,976.07
Z4	£9,836.16
Z5	£6,348.72
Z6	£5,766.28
Z7	£4,469.51
Z8	£2,901.95
Z9	£1,693.51
Z10	£1,364.72
Z11	£1,902.71
Z12	£818.15
Z13	£845.46
Z14	£818.15
Z15	£462.14
Z16	£2,574.68
Z17	£9,487.22

Table 1.1 – Charge Tariff



1.4 Closure and Capacity reduction – Connected Generation

In the event of notification of a reduction in generating capacity or complete plant closure, Connected Generators will be liable for up to two years Wider Cancellation Charge based on notice of reduction or closure. Please note that the tariff is applicable from the date of notice.

Years notice	% liability of wider cancellation charge
2	0%
1	75%
0	100%

Table 1.2 – Notice Periods

This liability replaces the previous liability which was equal to Transmission Network Use of System (TNUoS) charges at their contracted capacity.

2 Inputs

The wider cancellation charge is calculated using each TOs forecast of both load related and non load related wider capex. The apportionment of wider capex to each zone is based on the following factors.

Input	Source/Fixed Factor	Description
User Risk Factor	50%	The share of the wider risk between generation and consumers.
Global Asset Reuse Factor	33%	The percentage of the wider transmission assets which a TO could potentially reuse on another project.
Boundary levels	May 2011 Seven Year Statement	Depth of each SYS boundary multiplied by the increase in required capability on that boundary.
Boundary non compliance factors	May 2011 Seven Year Statement	Ratio between available capacity and required capability on each boundary.
Generation base	May 11 generation register	Current and Future Generation by zone.
Capex data*	TCPR4 Rollover http://www.ofgem.gov.uk/Networks/Trans/PriceControls/TPCR4Roll-over/Documents1/TPCR4roll.pdf	Sum of TO's Capex excluding any attributable works cost.

Table 2.1 – Calculation Inputs

3. Calculation Variables 2012/13

This section shows details of the capital expenditure (capex) figures and boundary data that feed into the calculation of the wider cancellation charge tariff.

3.1 Capex

Table 3.1 shows the load related (LR) and non load related (NLR) capex figures for each of the three current onshore TOs, namely National Grid Electricity Transmission (NGET), Scottish Hydro Electric Transmission (SHE Transmission) and Scottish Power Transmission (SPT), for the 2012/13 period;

	£m
NGET LR Capex	391.6
NGET NLR Capex	564.4
NGET Attributable*	-188
NGET Wider Capex	768
SHE Transmission LR Capex	60.3
SHE Transmission NLR Capex	20.8
SHE Transmission Attributable*	-28.9
SHE Wider Capex	52.2
SPT LR Capex	122.8
SPT NLR Capex	87.2
SPT Attributable*	-58.9
SPT Wider Capex	151.1
Total	971

Table 3.1 – Capex Figures

* The table above shows a forecast of capex figures for the three current onshore TOs for the 2012/13 period less any attributable capex costs (In the absence of an attributable capex spend for 12/13, an average of the % of the Load related capex that relates to attributable works in the years 13/14, 14/15, 15/16 and 16/17 has been used to determine the attributable capex for 12/13. (48%)

Contact

Should you have any questions please contact your Customer Account Manager, our Electricity Customer Team general Number (01926 654634) or on the following email address: transmissionconnections@nationalgrid.com