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Dear Mr Maloney

Consultation document - Draft Modification Proposal to the GB Connection Charging Methodology (GB ECM 01) One-off charges for System to Generator Intertripping Schemes

Thank you for the opportunity to comment on the above consultation document. The following comments are provided on behalf of RWE Npower plc, Npower Cogen Limited, Npower Cogen Trading Limited, Npower Direct Limited, Npower Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited, Npower Yorkshire Supply Limited.

1. We note that this proposed change is intended to assess whether the cost of installing intertrip under the various categories is to be met by the Generator as one-off costs. As an overriding comment, we have difficulty understanding the rationale for NGET imposing one-off costs to connecting generators, particularly in respect of infrastructure reinforcement. The principles set out under paragraph 3 are woefully inadequate in defining the circumstances under which such costs would be imposed. We would therefore welcome greater clarification of the principles under which one-off costs are made before embellishing the scope for imposing these costs.
2. Category 1 - Paragraph 5.1.1 states that this category "involves the installation of intertrip to facilitate the early connection of a generator to the transmission network...". Whilst this assertion was part of the original CUSC proposal it was later revised by NGET and did not form part of either the Working Group Report or the approved CUSC change. Consequently, we are not aware of the circumstances where an intertrip scheme would be used to facilitate early connection and suggest that this particular circumstance should not form part of this consultation.

In addition, we suggest that Paragraph 5.1.1 be clarified such that proposed charge for the intertrip installation should only apply where the intertrip scheme is required solely as a result of the Variation to Connection Design arising as a result of a User request. As drafted, the charge would appear to apply to any intertrip scheme that accompanies a Variation to Connection design.

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3. Category 3 - Paragraph 5.1.2 states that, in respect of required third party reinforcement work "...the Generator would be expected to contract with the third party to undertake the required reinforcement work." We have previously raised our concerns with NGET regarding its practice of imposing the liability for third party works on Generators via the bilateral connection agreement, when seeking connection to the transmission system. We are not aware of any corresponding requirement within the CUSC that places an obligation on the Generator to pay for the cost of such third party works. Consequently, it does not necessarily follow that the Generator should be required to pay for the cost of the installation of this category of intertrip scheme.

Furthermore, considerations such as the technical definition of how third party intertrip schemes would operate and how an economic test for their requirement might be applied do not appear to be considered within the industry codes. We therefore suggest that the arrangements relating to the SO/DNO interface be clarified before seeking to impose this additional cost on Generators.

4. We have previously raised concerns regarding the lack of publicly available technical definition of system to generator intertrip schemes. If generators are to be exposed to the cost of such schemes it is essential that the technical definition be clarified in order to ensure that the least cost solution is adopted.
5. Regarding the implementation date, we suggest that it should be the 1st April 2006 and not the 1st November 2005 as proposed. This would allow for the impact of this change to be taken into account in the setting of the next System Operator Incentive Scheme target and for any costs of assets recoverable via TNUoS to be apportioned correctly. As an additional point, it would be helpful if it could be clarified whether the proposed change would apply retrospectively.

I trust that you will find the above comments helpful. If you wish to discuss this matter further please do not hesitate to contact me.

Yours sincerely

John Norbury
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