Issue	Revision
7	0

The Statement of Use of System Charges

Effective from 1 April 2011

Based Upon:

The Statement of the Use of System Charging Methodology

contained within

Section 14 Part II
of the Connection and Use of System Code

nationalgrid

Contents

Introduction

This statement is published in accordance with the Transmission Licence of National Grid Electricity Transmission plc (National Grid).

This document sets out the annual tariffs for Transmission Network Use of System charges and the parameters used to calculate these; details of the Balancing Services Incentive Scheme which forms part of the Balancing Services Use of System Charges; and fees charged by National Grid in relation to applications for connection, use of system and engineering works.

Further information on the methods by which and principles upon which National Grid derives Use of System charges is set out in the **Statement of the Use of System Charging Methodology** which is included in Section 14 of the Connection and Use of System Code (CUSC) which is available on our website at:

http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/contracts/

If you require further detail on any of the information contained within this document or have comments on how this document might be improved please contact our **Charging Team**, preferably by email at:

Charging.enquiries@uk.ngrid.com

or at:

National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Telephone 01926 654633

Schedule 1

Basis of 2011/12 Transmission Network Use of System Charges

The Transmission Network Use of System Charges for 2011/12 found within this document have been calculated using the methodology described in the Statement of Use of System Charging Methodology. Part of the tariff calculation utilises a DC Load Flow (DCLF) Investment Cost Related Pricing (ICRP) transport and tariff model. The following tables provide a summary of some of the parameters utilised to calculate tariffs within this model.

Table 1.1: TNUoS Calculation Parameters

Parameter	Value/Basis
Transport model network, nodal generation & nodal demand data	Based upon data published in the October update of the 2010 GB Seven Year Statement
Reference node	ECLA40_AQUL
Expansion constant	£ 11.142856 /MWkm
Annuity factor	6.6%
Overhead factor	1.8%
Locational onshore security factor	1.8
Offshore civil engineering discount	£ 0.362153 /kW

Table 1.2: Onshore Wider Cable and Overhead Line (OHL) Expansion Factors

TO Region	Cable Expansion Factor			OHL Expansion Factor		
	400kV	275kV	132kV	400kV	275kV	132kV
Scottish Hydro Electric Transmission Ltd	22.39	22.39	22.79	1.00	1.14	2.24
SP Transmission Ltd	22.39	22.39	30.22	1.00	1.14	2.80
National Grid Electricity Transmission plc	22.39	22.39	30.22	1.00	1.14	2.80

Table 1.3 Onshore Local Expansion Factors (All TO Regions)

	400kV	275kV	132kV			
			Single Circuit <200MVA	Double Circuit <200MVA	Single Circuit >=200MVA	Double Circuit >=200MVA
Cable Expansion Factor	22.39	22.39	30.22	30.22	30.22	30.22
OHL Expansion Factor	1.00	1.14	10.00	8.32	7.13	4.42

Table 1.4 Offshore Local Expansion Factors

Offshore Power Station	Local Expansion Factor (to 2 d.p.)
Robin Rigg East	149.71
Robin Rigg West	149.71

Further Local Expansion Factors used to calculate Local Circuit Tariffs applicable to generation connecting to offshore transmission infrastructure during 2011/12 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Wider Zonal Generation Charges (£/kW) in 2011/12

Table 1.5

The following table provides the Wider Zonal Generation TNUoS tariffs applicable from 1st April 2011.

Generation Zone	Zone Area	Wider Generation Tariff (£/kW)
1	North Scotland	21.492907
2	Peterhead	19.770656
3	Western Highland & Skye	22.932808
4	Central Highlands	18.180502
5	Argyll	14.047088
6	Stirlingshire	14.232999
7	South Scotland	12.562894
8	Auchencrosh	12.282304
9	Humber & Lancashire	5.581464
10	North East England	8.860928
11	Anglesey	6.426466
12	Dinorwig	5.720133
13	South Yorks & North Wales	3.909276
14	Midlands	1.722251
15	South Wales & Gloucester	0.691854
16	Central London	-6.845910
17	South East	0.668614
18	Oxon & South Coast	-1.881996
19	Wessex	-3.668046
20	Peninsula	-7.042681

The above tariffs are a combination of a locational element that reflects the cost of providing incremental capacity to generation on an area of the main integrated onshore transmission system, and a non-locational residual element which ensures that the appropriate amount of transmission revenue is recovered from generators. For 2011/12 the generation residual element to two decimal places is £3.61/kW.

Wider Generation charges are levied by reference to the Transmission Licensee's substation to which the party is connected or deemed connected. Transmission Licensee's substations are assigned to a generation zone as shown on the zonal maps.

If a party is unclear from looking at the geographical map which zone the relevant National Grid substation is assigned to, then those parties should refer to the electrical version of the map of Generation Use of System Tariff Zones as at 1 April 2011 for clarification. Confirmation of the zoning of a particular generator can be obtained by contacting National Grid's Charging Team.

Small Generators' Discount

In accordance with Licence Condition C13 in National Grid's Transmission Licence, small generators connected to the 132kV transmission system are eligible for a reduction in the listed Generation TNUoS tariffs. This discount has been calculated in accordance with direction from the Authority and equates to 25% of the combined generation and demand residual components of the TNUoS tariffs. For 2011/12, this figure has been calculated as £5.828994kW.

Schedule of Transmission Network Use of System Local Substation Generation Charges (£/kW) in 2011/12

Table 1.6 Onshore Local Substation Tariffs (£/kW)

The following table provides the Local Substation Generation TNUoS tariffs applicable to all generation directly connected to the onshore GB Transmission Network from 1st April 2011, which have been updated from the examples listed in the Statement of Use of System Methodology.

		Local Substation Tariff (£/kW)		
Sum of TEC at connecting Substation	**Connection Type**	**132kV**	**275kV**	**400kV**
<1320 MW	No redundancy	0.139693	0.084466	0.068222
<1320 MW	Redundancy	0.315122	0.201419	0.162434
>=1320 MW	No redundancy	n/a	0.269640	0.217662
>=1320 MW	Redundancy	n/a	0.437488	0.351940

The above tariffs reflect the cost of the transmission substation equipment provided to facilitate generation connecting to an onshore substation.

Table 1.7 Offshore Local Substation Tariffs (£/kW)

The following table provides the Local Substation Generation TNUoS tariffs applicable to generation connecting to offshore transmission infrastructure from 1st April 2011:

Offshore Power Station	Local Substation Tariff (£/kW)
Robin Rigg East	-0.362153
Robin Rigg West	-0.362153

Further local substation tariffs applicable to generation connecting to offshore transmission infrastructure during 2011/12 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Local Circuit Charges (£/kW) in 2011/12

Table 1.8

The following table provides the Local Circuit Generation TNUoS tariffs applicable to directly connected generation not connected to the main integrated onshore GB Transmission Network from 1st April 2011.

Substation	Local Circuit Tariff (£/kW)
Aigas	0.547396
An Suidhe	1.031722
Arecleoch	1.699793
Baglan Bay	0.031771
Black Law	2.681793
Clyde	1.543362
Coryton	0.256917
Cruachan	1.257613
Crystal Rig	0.435409
Culligran	1.297764
Deanie	2.132041
Dersalloch	1.337143
Didcot	0.611248
Dinorwig	3.945397
DunLaw	0.475259
Earlshaugh	2.236808
Edinbane	5.003142
Fallago	0.939186
Farr Windfarm	5.022346
Ffestiniogg	0.196538
Finlarig	0.234000
Foyers	0.547319
Glendoe	1.857960
Glenmoriston	1.065899
Griffin Wind	2.040812
Hadyard Hill	2.005714
Harestanes	1.336454

Substation	Local Circuit Tariff (£/kW)
Hartlepool	0.424992
Hearthstanes	2.459665
Invergarry	1.055357
Kilbraur	1.119901
Killingholme	0.416659
Kilmorack	0.163899
Langage	0.475584
Leiston	0.90919
Lochay	0.267429
London Array	-0.02961
Luichart	0.850962
Marchwood	0.394927
Mark Hill	0.627137
Millennium Wind	1.316613
Mossford	2.80317
Nant	-0.93173
Oldbury-on-Severn	1.386204
Pencloe	1.312948
Quoich	3.005356
Rocksavage	0.012257
Saltend	0.259505
South Humber Bank	0.626454
Spalding	0.234231
Teesside	0.086557
Waterhead Moor	1.933286
Whitelee	1.497199

The above tariffs reflect the cost of transmission circuits between the point of connection and the main interconnected transmission system.

Table 1.9

The following table provides the Local Circuit Generation TNUoS tariffs applicable to generation connecting to offshore transmission infrastructure from 1st April 2011:

Offshore Power Station	Local Circuit Tariff (£/kW)
Robin Rigg East	24.021871

Offshore Power Station	Local Circuit Tariff (£/kW)
Robin Rigg West	24.021871

Further local circuit tariffs applicable to generation connecting to offshore transmission infrastructure during 2011/12 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System STTEC and LDTEC Charges in 2011/12

Table 1.10

The following table provides the Short Term Transmission Entry Capacity (STTEC) and Limited Duration Transmission Entry Capacity (LDTEC) tariffs applicable to generators from 1st April 2011.

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Aberthaw	0.059290	0.004336	0.237162	0.296452	0.355743
Aigas	1.164450	0.085155	4.657799	5.822249	6.986699
An Suidhe	0.798971	0.058428	3.195886	3.994857	4.793828
Arecleoch	0.741394	0.054218	2.965576	3.706970	4.448364
Baglan Bay	0.048565	0.003552	0.194259	0.242824	0.291389
Barking	0.045677	0.003340	0.182707	0.228384	0.274060
Barry	0.036322	0.002656	0.145289	0.181612	0.217934
Black Law	0.895360	0.065477	3.581442	4.476802	5.372163
Brimsdown	0.045677	0.003340	0.182707	0.228384	0.274060
Clunie	0.961810	0.070336	3.847241	4.809051	5.770861
Clyde Windfarm	0.745013	0.054482	2.980052	3.725065	4.470077
Cockenzie	0.670126	0.049006	2.680506	3.350632	4.020759
Connahs Quay	0.223714	0.016360	0.894855	1.118569	1.342283
Corby	0.090418	0.006612	0.361673	0.452091	0.542509
Coryton	0.057118	0.004177	0.228473	0.285591	0.342709
Cottam	0.223714	0.016360	0.894855	1.118569	1.342283
Cottam Development Centre	0.223714	0.016360	0.894855	1.118569	1.342283
Cowes	0.000000	0.000000	0.000000	0.000000	0.000000
Cruachan	0.807931	0.059083	3.231725	4.039656	4.847588
Crystal Rig 2	0.668080	0.048856	2.672319	3.340399	4.008478
Culligran	1.203844	0.088036	4.815376	6.019221	7.223065
Damhead Creek	0.053579	0.003918	0.214316	0.267895	0.321475
Deanie	1.247644	0.091239	4.990575	6.238218	7.485862
Deeside	0.223714	0.016360	0.894855	1.118569	1.342283
Dersalloch	0.737086	0.053903	2.948343	3.685429	4.422515
Derwent	0.090418	0.006612	0.361673	0.452091	0.542509
Didcot	0.000000	0.000000	0.000000	0.000000	0.000000
Didcot B	0.000000	0.000000	0.000000	0.000000	0.000000
Didcot GTs	0.000000	0.000000	0.000000	0.000000	0.000000
Dinorwig	0.518868	0.037944	2.075470	2.594338	3.113205
Drax	0.311504	0.022780	1.246015	1.557519	1.869022
Dungeness B	0.043630	0.003191	0.174520	0.218150	0.261780
Dunlaw Extension	0.691837	0.050594	2.767348	3.459185	4.151021
Earlshaugh Wind Farm	0.784318	0.057357	3.137273	3.921591	4.705909
Edinbane Wind	1.473971	0.107790	5.895885	7.369856	8.843828
Eggborough	0.311504	0.022780	1.246015	1.557519	1.869022
Errochty	0.961810	0.070336	3.847241	4.809051	5.770861
Fallago	0.717387	0.052462	2.869548	3.586935	4.304322

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Farr Windfarm	1.399385	0.102336	5.597539	6.996923	8.396308
Fasnakyle	1.211306	0.088582	4.845225	6.056532	7.267838
Fawley	0.000000	0.000000	0.000000	0.000000	0.000000
Fawley CHP	0.000000	0.000000	0.000000	0.000000	0.000000
Ferrybridge B	0.315995	0.023108	1.263980	1.579975	1.895970
Ffestiniog	0.219990	0.016088	0.879959	1.099949	1.319938
Fiddlers Ferry	0.315995	0.023108	1.263980	1.579975	1.895970
Fife	0.763776	0.055854	3.055105	3.818882	4.582658
Finlarig	0.974095	0.071235	3.896381	4.870476	5.844571
Foyers	1.161546	0.084943	4.646185	5.807732	6.969278
Glandford Brigg	0.205237	0.015009	0.820948	1.026185	1.231422
Glendoe	1.308849	0.095715	5.235397	6.544246	7.853095
Glenmoriston	1.267266	0.092674	5.069064	6.336330	7.603596
Grain	0.053579	0.003918	0.214316	0.267895	0.321475
Grangemouth	0.747232	0.054645	2.988930	3.736162	4.483395
Great Yarmouth	0.090418	0.006612	0.361673	0.452091	0.542509
Griffin Windfarm	1.078163	0.078845	4.312652	5.390814	6.468977
Hadyard Hill	0.772186	0.056469	3.088743	3.860929	4.633115
Harestanes	0.737050	0.053900	2.948199	3.685248	4.422298
Hartlepool	0.498085	0.036425	1.992341	2.490426	2.988512
Hearthstanes B Wind Farm	0.796018	0.058212	3.184073	3.980091	4.776109
Heysham	0.311504	0.022780	1.246015	1.557519	1.869022
Hinkley Point B	0.000000	0.000000	0.000000	0.000000	0.000000
Hunterston	0.663134	0.048494	2.652534	3.315668	3.978802
Immingham	0.301555	0.022052	1.206219	1.507773	1.809328
Indian Queens	0.000000	0.000000	0.000000	0.000000	0.000000
Invergarry	1.266713	0.092634	5.066850	6.333563	7.600275
Ironbridge	0.098946	0.007236	0.395784	0.494730	0.593676
Keadby	0.213765	0.015632	0.855059	1.068824	1.282589
Kilbraur	1.191607	0.087141	4.766428	5.958034	7.149641
Killingholme (Centrica)	0.333378	0.024380	1.333513	1.666892	2.000270
Killingholme (E.on)	0.333378	0.024380	1.333513	1.666892	2.000270
Kilmorack	1.144316	0.083683	4.577265	5.721581	6.865897
Kings Lynn A	0.205237	0.015009	0.820948	1.026185	1.231422
Kingsnorth	0.053579	0.003918	0.214316	0.267895	0.321475
Langage	0.000000	0.000000	0.000000	0.000000	0.000000
Little Barford	0.098946	0.007236	0.395784	0.494730	0.593676
Littlebrook D	0.043630	0.003191	0.174520	0.218150	0.261780
Lochay	0.975850	0.071363	3.903401	4.879251	5.855102
Longannet	0.770201	0.056324	3.080802	3.851003	4.621203
Luichart	1.180387	0.086321	4.721548	5.901935	7.082322
Marchwood	0.000000	0.000000	0.000000	0.000000	0.000000
Mark Hill Wind Farm	0.682180	0.049887	2.728720	3.410901	4.093081
Medway	0.053579	0.003918	0.214316	0.267895	0.321475
Millennium Wind	1.280428	0.093637	5.121714	6.402142	7.682571
Mossford	1.282878	0.093816	5.131512	6.414390	7.697268

Power Station	LDTEC tariff (£/kW per week)		Short Term Generation Tariff (£/kW)		
	Higher rate	Lower rate	28 Days STTEC Period	35 Days STTEC Period	42 Days STTEC Period
Nant	0.695890	0.050890	2.783561	3.479451	4.175341
Oldbury-on-Severn	0.116432	0.008515	0.465728	0.582160	0.698592
Orrin	1.135712	0.083054	4.542846	5.678558	6.814269
Pembroke	0.054799	0.004007	0.219197	0.273996	0.328795
Pencloe	0.745026	0.054483	2.980102	3.725128	4.470154
Peterborough	0.205237	0.015009	0.820948	1.026185	1.231422
Peterhead	1.048534	0.076679	4.194136	5.242670	6.291204
Quoich	1.369087	0.100120	5.476350	6.845437	8.214525
Ratcliffe-on-Soar	0.108895	0.007963	0.435580	0.544475	0.653370
Robin Rigg East	1.535162	0.112265	6.140648	7.675810	9.210972
Robin Rigg West	1.535162	0.112265	6.140648	7.675810	9.210972
Rocksavage	0.209462	0.015318	0.837849	1.047311	1.256773
Roosecote	0.293027	0.021429	1.172107	1.465134	1.758161
Rugeley B	0.098946	0.007236	0.395784	0.494730	0.593676
Rye House	0.043630	0.003191	0.174520	0.218150	0.261780
Saltend	0.317225	0.023198	1.268901	1.586127	1.903352
Seabank	0.044850	0.003280	0.179400	0.224251	0.269101
Sellafield	0.293027	0.021429	1.172107	1.465134	1.758161
Severn Power	0.046897	0.003430	0.187587	0.234484	0.281381
Shoreham	0.000000	0.000000	0.000000	0.000000	0.000000
Shotton	0.205237	0.015009	0.820948	1.026185	1.231422
Sizewell B	0.098946	0.007236	0.395784	0.494730	0.593676
Sloy	0.744806	0.054467	2.979224	3.724030	4.468836
South Humber Bank	0.334443	0.024458	1.337774	1.672217	2.006661
Spalding	0.226062	0.016532	0.904248	1.130310	1.356371
Staythorpe	0.223714	0.016360	0.894855	1.118569	1.342283
Sutton Bridge	0.213765	0.015632	0.855059	1.068824	1.282589
Taylors Lane	0.000000	0.000000	0.000000	0.000000	0.000000
Teesside	0.492711	0.036032	1.970844	2.463555	2.956266
Tilbury B	0.045677	0.003340	0.182707	0.228384	0.274060
Toddleburn Wind Farm	0.691837	0.050594	2.767348	3.459185	4.151021
Torness	0.668080	0.048856	2.672319	3.340399	4.008478
Uskmouth	0.052866	0.003866	0.211465	0.264331	0.317197
Waterhead Moor	0.856064	0.062603	3.424255	4.280319	5.136383
West Burton	0.223714	0.016360	0.894855	1.118569	1.342283
West Burton B	0.223714	0.016360	0.894855	1.118569	1.342283
Whitelee	0.742589	0.054305	2.970357	3.712947	4.455536
Wilton	0.492711	0.036032	1.970844	2.463555	2.956266
Wylfa	0.345917	0.025297	1.383669	1.729586	2.075504

The above tariffs apply to levels of STTEC or LDTEC access that is agreed during the charging year.

STTEC can be arranged in 4, 5, or 6 week blocks, with the tariff for applicable duration applying.

The LDTEC tariff is applied at two rates during the year. The higher LDTEC rate applies to the first 17 weeks of access within a charging year (whether consecutive or not), and the lower LDTEC rate applies to any subsequent access within the year.

Further LDTEC and STTEC tariffs applicable to generation connecting to offshore transmission infrastructure during 2011/12 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Pre-Asset Transfer Related Embedded Transmission Use of System Charges in 2011/12

Table 1.11

The following table provides the Pre-Asset Transfer Related Embedded Transmission Use of System (ETUoS) tariffs applicable to embedded transmission connected offshore generation from 1st April 2011. The relating charge is used to recover the element of the Offshore Transmission Operator's Revenue that relates to distribution charges paid during in the development of the offshore transmission network.

Offshore Power Station	Pre-Asset Transfer ETUoS Tariff (£/kW)
Robin Rigg East	7.610938
Robin Rigg West	7.610938

Please note that in addition to the charges listed above, any enduring distribution charges made to the NETSO will be passed through to the relating generator in the form of an ETUoS charge.

Further Pre-Asset Transfer Related ETUoS tariffs applicable to generation connecting to offshore transmission infrastructure during 2011/12 will be published in future revisions of this statement following the completion of the tender process relating to the sale of the relating offshore transmission assets.

Schedule of Transmission Network Use of System Demand Charges (£/kW) and Energy Consumption Charges (p/kWh) for 2011/12

Table 1.12

The following table provides the Zonal Demand and Energy Consumption TNUoS tariffs applicable from 1st April 2011.

Demand Zone	Zone Area	Demand Tariff (£/kW)	Energy Consumption Tariff (p/kWh)
1	Northern Scotland	6.535401	0.886871
2	Southern Scotland	11.730556	1.666105
3	Northern	15.684824	2.170176
4	North West	19.449161	2.736856
5	Yorkshire	19.582975	2.704505
6	N Wales & Mersey	20.204644	2.952899
7	East Midlands	22.205396	3.095769
8	Midlands	23.811436	3.387267
9	Eastern	22.671734	3.127405
10	South Wales	22.846195	3.097454
11	South East	26.737000	3.736654
12	London	27.943266	3.779345
13	Southern	27.567648	3.910939
14	South Western	28.408897	3.887151

A demand User's zone will be determined by the GSP Group to which the User is deemed to be connected.

The Demand Tariff is applied to Demand User's average half-hourly metered demand over the three Triad periods, as described in the Statement of Use of Charging Methodology.

In the case of parties liable for both generation and demand charges, the demand tariff zone applicable in respect of that party's demand will be that in which the Transmission Licensee's substation to which the party is connected is geographically located. For example, if a power station were connected at a Transmission Licensee's substation that is geographically located within demand zone 1, it would pay the zone 1 demand tariff.

The energy consumption tariff is based on the annual energy consumption during the period 16:00 hrs to 19:00 hrs (i.e. settlement periods 33 to 38 inclusive) over the relevant financial year.

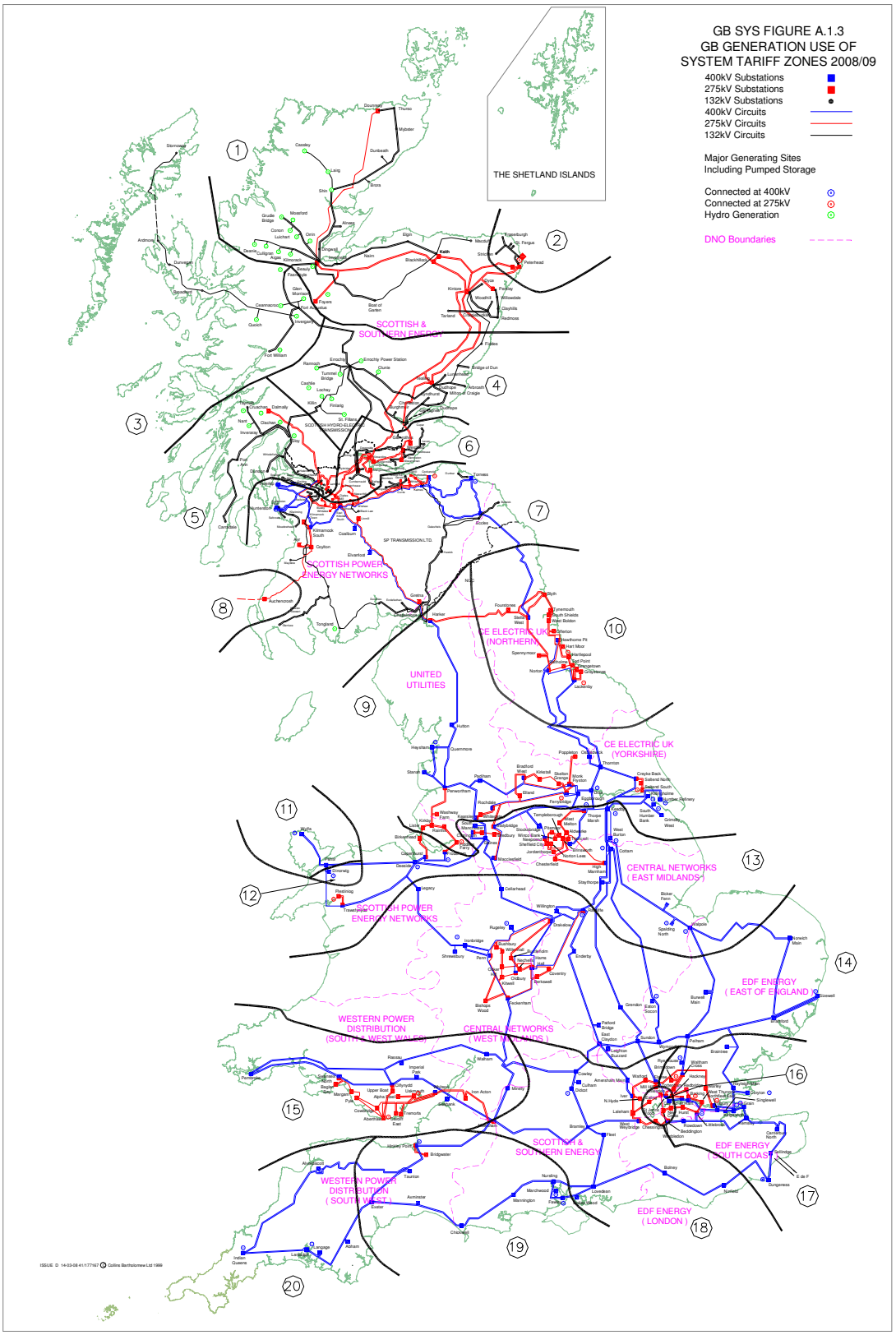
Small Generators Discount

In accordance with Standard Licence Condition C13 governing the adjustments to use of system charges for the small generators discount, a unit amount of £0.129058/kW to the demand tariff and 0.018006 p/kWh to the energy consumption tariff has been included on a non-discriminatory and non-locational basis.

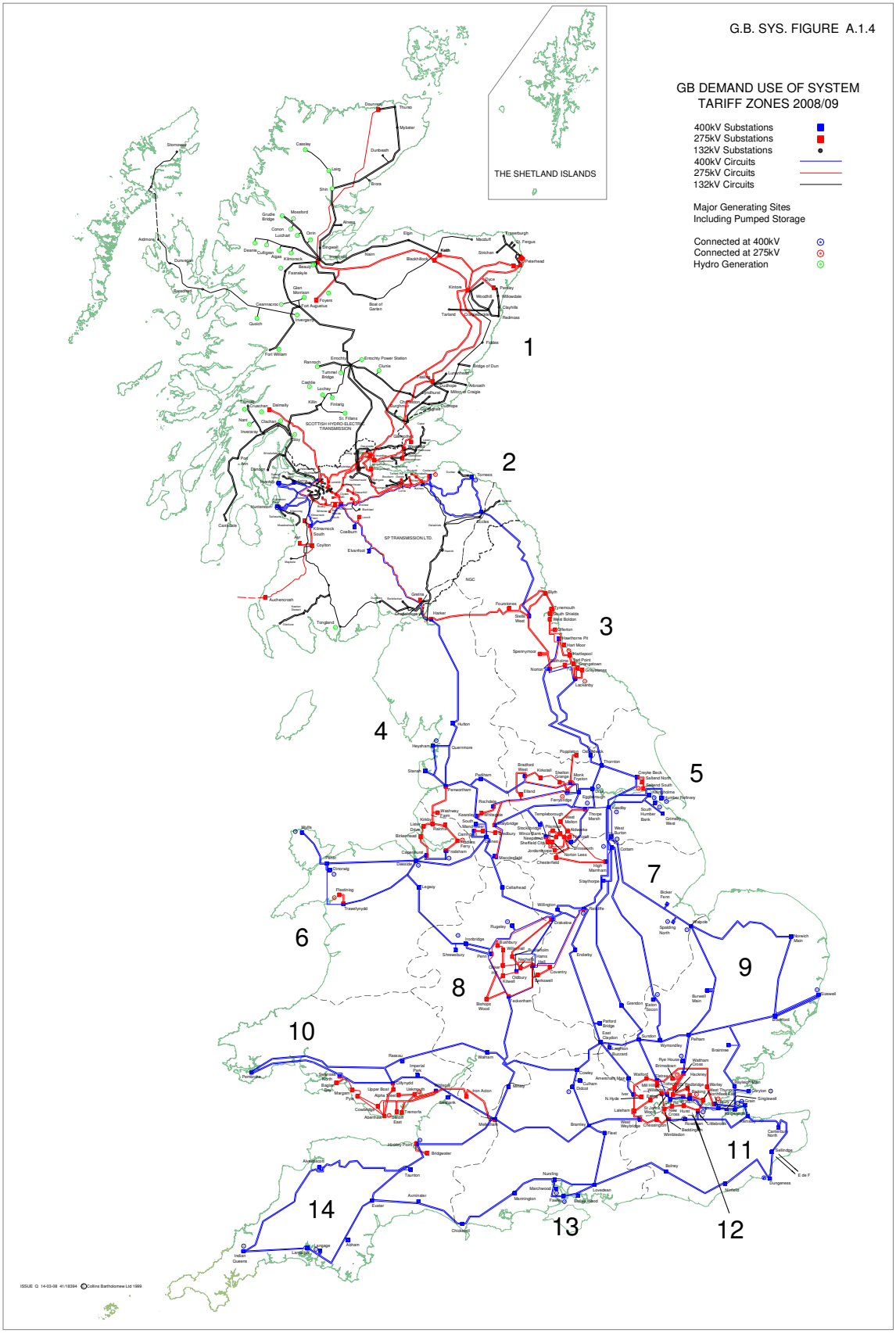
Standard Licence Condition C13 requires the small generators discount mechanism to be revenue neutral over the period of its operation so that the net effect on revenue of the licence condition is zero. It will therefore be necessary to manage any under or over recovery associated with the small generators discount separately from the under/over recovery mechanism within National Grid's main revenue restriction. National Grid calculates the unit amount added to the demand tariffs using a forecast of the total discount payable to eligible generators, and a forecast of the demand charging base. If either of these factors outturns differently from the original forecast then an under/over recovery would occur. The amount of any under/over recovery would be added to the revenue recovery used to derive the unit amount in subsequent years.

Zonal Maps applicable for 2011/12

Generation Use of System Tariff Zones (Geographical map as at 1 April 2008)



Demand Use of System Tariff Zones (Geographical map as at 1 April 2008)



Schedule 2

Detail of the Incentive Schemes (External and Internal) for the Balancing Services Use of System Charges for 2011/12

The Balancing Services Use of System (BSUoS) Charges for 2011/12 calculated in accordance with the methodology described in the Statement of Use of System Charging Methodology are made up of External BSUoS Charges and Internal BSUoS Charges. The External BSUoS Charges includes External Costs and an Incentive Scheme. The Internal BSUoS Charges includes Internal BSUoS Costs and an Incentive Scheme. These Incentive Schemes vary in their structure and duration as determined by updates to the Transmission Licence[1].

Included here are details of how the Incentives outlined in the Transmission Licence are accommodated into BSUoS Charges.

External Incentive Structure and Payments for 2011/12

The forecast External incentive payment for the duration of the External incentive scheme ($FYIncpayEXT_d$) is calculated as the difference between the External Scheme target (M_t) and the forecast Balancing cost (FBC) subject to sharing factors (SF_t) and a cap/collar (CB_t).

$$FYIncpayEXT_d = SF_t * (M_t - FBC_d) + CB_t$$

The relevant value of the External incentive payment ($FYIncPayEXT_d$) is calculated by reference to the table below by the selection and application of the appropriate selection factors and offset dependent upon the value of the forecast Balancing Services cost (FBC).

Table 2.1: BSIS for 2011/12

Forecast Balancing Cost (FBC)	M_t	SF_t	CB_t
To be populated upon confirmation of Scheme Structure			

1 Special Condition AA5A Part 2 (i), Part 2 (ii) and Schedule A to Special Condition AA5A

In respect of each Settlement Day d, the forecast incentivised Balancing Cost (FBC_d) will be calculated as follows:

$$FBC_d = \frac{\sum_{k=1}^{d} IBC_k}{\sum_{k=1}^{d} PFT_k} * NDS$$

Where:

NDS: Number of days in Scheme

The Daily Incentivised Balancing Cost for a Settlement Day (IBC_d) is calculated as follows:

$$IBC_d = \sum_{j \in d} (CSOBM_{jd} + BSCCV_{jd} + NIA_{jd} + TLIC_{jd}) + BSCCA_d - OM_d - RT_d$$

Internal Incentive Structure and Payments for 2011/12

National Grid Daily Internal incentive payments ($IncPayINT_d$) are calculated by comparing the Daily Incentivised internal operating costs ($FSOINT_d$) against the Daily Internal Scheme Target (PTint) to set the Sharing Factor (SFint), as per the formula below:

$$FYIncPayINT_d = (PT\,\text{int} - FSOINT_d) * SF\,\text{int}$$

Table 2.2

The table below shows the shows the respective values of these variables for 2011/12.

$FSOINT_d$ (£)	**PTint (£)**	**SFint**
$FSOINT_d$ < TBC	TBC	TBC
$FSOINT_d$ => TBC	TBC	TBC

Table 2.3

The table below summarises the annual SO Internal cost variables for Financial Year 2011/12 as set out in the Transmission Licence.

Internal SO Cost Variable		**Annual Cost Target (£m)**
CSOC*	CSOOC	TBC
	CSOCEC	TBC
NC*	NSOC	TBC
	BI	TBC
	T	TBC
	P	TBC
	ON	TBC
IAT, IONT		

[* in 2011/12 prices]

Where

CSOC = CSOOC + CSOCEC

NC = (NSOC + BI + T + P + ON)

Schedule 3

Application Fees for Connection and Use of System Agreements

Application fees are payable in respect of applications for new connection agreements, certain use of system agreements and for modifications to existing agreements based on reasonable costs incurred by NGC including where appropriate, charges from the Transmission Owners (TO's) in accordance with their charging statements. The application process and options available are set out in the Statement of the Use of System Charging Methodology and the Statement of the Connection Charging Methodology.

The application fee is dependent upon size, type and location of the applicant's scheme as shown on the map and tables on the next page. Users can opt for a variable price application and pay an advance of the Engineering Charges based on the fixed prices shown, which will be reconciled once the actual costs have been calculated using the charge out rates contained in Schedule 3. Alternatively, onshore Users can opt to pay a fixed price application fee in respect of New and Modified Bilateral Agreements. In some circumstances, where a given application is expected to involve significant costs over and above those normally expected (e.g. substantial system studies, special surveys, investigations, or where a Transmission Owner varies the application fee charged to National Grid from the standard fee published in their charging statements) to process an offer of terms, National Grid reserves the right to remove the option for a fixed price application fee.

The map divides GB into three zones based on the Boundary of Influence map defined in Schedule 4 of the STC (SO-TO Code). Zone A maps onto the area NGC South, Zone B maps to NGC North and SPT South, and Zone C maps to SPT North, SHETL South and SHETL North.

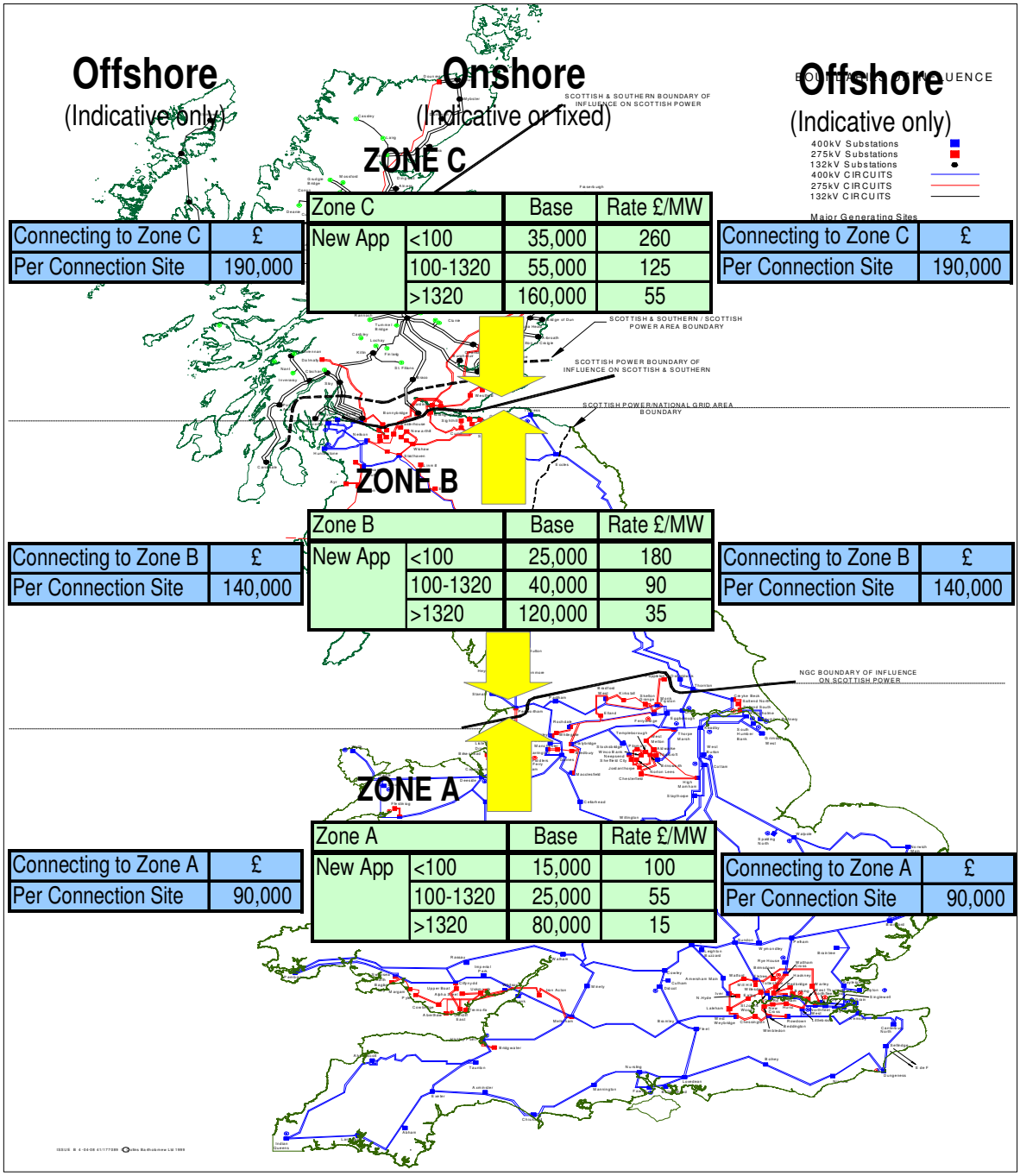
The application fees indicated will be reviewed on an annual basis and reflect any changes to the Boundaries of Influence. It should be noted that the zone to which a particular user is applying is determined by the location of the connection to the National Electricity Transmission System and not by the geographical location of the User's plant and equipment.

All application fees are subject to VAT and are capped at £400,000 + VAT

Reconciliation and Refunding of Application Fees for Connection and Use of System Agreements

Application Fees will be reconciled and / or refunded In accordance with Chapter 7 of The Statement of the Use of System Charging Methodology.

Entry Application Fees for New Bilateral Agreements



Zone C		Base	Rate £/MW
New App	<100	35,000	260
	100-1320	55,000	125
	>1320	160,000	55

Connecting to Zone C	£
Per Connection Site	190,000

Connecting to Zone C	£
Per Connection Site	190,000

Zone B		Base	Rate £/MW
New App	<100	25,000	180
	100-1320	40,000	90
	>1320	120,000	35

Connecting to Zone B	£
Per Connection Site	140,000

Connecting to Zone B	£
Per Connection Site	140,000

Zone A		Base	Rate £/MW
New App	<100	15,000	100
	100-1320	25,000	55
	>1320	80,000	15

Connecting to Zone A	£
Per Connection Site	90,000

Connecting to Zone A	£
Per Connection Site	90,000

1. New Onshore Application Fee = Base + (MW * Rate)
2. TEC Increase[2] = Base + (TEC Increase * Rate)
3. New Offshore Application Fee = Number of offshore Connection Sites * Fee

[2] The base value and Rate used are the values associated with the change in TEC not the resulting total TEC being applied for.

Table 4.1

This table details the adjustments applicable for certain scenarios to be taken into consideration when calculating the value of an Entry Application Fee.

Other Entry Fees	Fraction of New Application Fee		
Modification Application (applicable for any change prior to completion excluding TEC increases and those options listed in this table)	0.75		
Request for Design Variation in addition to standard offer	1.5		
Embedded Generation New Application	0.3		
Embedded Generation Modification Application	0.2		
Entry Fees (cont.)	Zone A	Zone B	Zone C
TEC Exchange Request (no system works)	£10,000	£10,000	£17,000
Request for STTEC or SNSTF	£10,000		
Directly Connected Reactive Only Service Provider	£20,000	£21,000	£22,000
Suppliers and Interconnector Users	£2,000		
Assign, transfer or novate a bilateral agreement or minor admin changes	£2,000		

If applying for a combination of changes after making an initial application and this is prior to the completion of works associated to the initial application, such as a change to works or completion date that also includes a TEC Change, the Application Fee will be the higher of the TEC Change Fee or Modification Application Fee.

Table 4.2

Limited Duration TEC (LDTEC)		Duration of LDTEC (t)	Zone	£ (£'000)	Agreement Type (as Table C)
14	**Basic request fee for duration t** (applicable to all requests for LDTEC Offers)	t <= 3 months	All	10 + VAT	Bilateral Connection Agreement / BEGA
		3 months < t <= 6 months		15 + VAT	
		6 months < t <= 9 months		20 + VAT	
		t > 9 months		30 + VAT	
	Additional fee for rolling assessment (applicable to a request for an LDTEC Indicative Block Offer)	t <= 3 months		1 + VAT	
		3 months < t <= 6 months		1.5 + VAT	
		6 months < t <= 9 months		2 + VAT	
		t > 9 months		3 + VAT	
	Additional fee for combined applications (applicable to a combined request for an LDTEC Block Offer and an LDTEC Indicative Block Offer)	t <= 3 months		5 + VAT	
		3 months < t <= 6 months		7.5 + VAT	
		6 months < t <= 9 months		10 + VAT	
		t > 9 months		15 + VAT	

Table 4.3

Temporary TEC Exchange Rate Request Fees		Duration of Temporary Exchange period (t)	£
15	**Application fee for Temporary TEC Exchange Rate Requests**	t <= 3 months	15,000
		3 months < t <= 6 months	25,000
		6 months < t <= 9 months	30,000
		t > 9 months	45,000

Exit Application Fees for New Bilateral Agreements and Modifications to existing Bilateral Agreements

Table 4.4

Exit Fees	Zone A	Zone B		Zone C	
		<100MW	>100MW	<100MW	>100MW
New Supply Point	£50,000	£28,000	£55,000	£39,000	£60,000
Modification Application	£38,000	£21,000	£41,000	£29,000	£45,000

Table 4.5

Exit Fees (cont.)	Zone A	Zone B	Zone C
Statement of Works at existing supply point	£5,000	£6,000	£8,000
Modification Application after Request for Statement of Works	£13,000	£15,000	£17,000

Examples

1. Entry Application Fee for a New Bilateral Agreement onshore
300MW Generator wishing to connect to the transmission system in Zone A
Application Fee = £25,000 + (300 * 55) = £41,500

2. Entry Application Fee for a New Bilateral Agreement offshore
2000MW Generator wishing to connect to the transmission system in Zone B.
Two Connection Sites
Application Fee = 2 * £140,000 = £280,000

3. Entry Application Fee for a Modification to an existing Bilateral Agreement
300MW Generator in Zone A seeking to alter commissioning date
This would be a Modification Application
Fee = 0.75 * (£25,000 + (300 * 55)) = £31,125

4. Entry Application Fee for an embedded generator (BEGA/ BELLA)
300MW embedded generator requesting a BEGA in Zone A
Fee = 0.3 * (£25,000 + (300 * 55)) = £12,450

5. Entry Application Fee for a TEC Increase
400MW generator in Zone A wishes to increase TEC by 20MW to 420MW
Application Fee = £15,000 + (20 * 100) = £17,000

6. Entry Application Fee for a change to completion date

500MW generator in Zone B wishes to change their completion date by moving it back by 12 months

Application Fee = 0.75 * (£40,000 + (500 * 90)) = £63,750

7. Entry Application Fee for a Decrease TEC

600MW generator in Zone C wishes to decrease TEC by 100MW to 500MW
Application Fee = 0.75 * (£55,000 + (100 * 125)) = £50,625

Table 4.6

Bilateral Agreement Types

Bilateral Agreement Type	Description
Bilateral Connection Agreement	In respect of Connection Sites of Users.
Bilateral Embedded Licence Exemptable Large Power Station Agreement (BELLA)	For generators that own or are responsible for embedded exemptable large power stations (another party may be responsible for the output under the CUSC and BSC).
Bilateral Embedded Generation Agreement (BEGA)	For generators and BSC parties with embedded power stations, excluding those which are exempt (unless they otherwise choose to be), who are responsible for the output onto a Distribution System.
Construction Agreement	In respect of parties that are applying for new or modified agreements up until the time of commissioning.

Table 4.7

Generator Types

The definitions provided below have been extracted from the Grid Code and are provided for ease of reference within this document.

Type of Plant	Definition
Embedded	Having a direct connection to a User System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Transmission Licensee (but with no other connection to the National Electricity Transmission System).
Small Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of less than 50MW, a Power Station in SPT's Transmission Area with a Registered Capacity of less than 30MW or a Power Station in SHETL's Transmission Area with a Registered Capacity of less than 10 MW.
Medium Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of 50MW or more, but less than 100MW.
Large Power Station	A Power Station in NGET's Transmission Area with a Registered Capacity of 100MW or more or a Power Station in SPT's Transmission Area with a Registered Capacity of 30 MW or more; or a Power Station in SHETL's Transmission Area with a Registered Capacity of 10 MW or more.

Schedule 4

Charge-Out Rates for Engineering Charges for Variable Price Applications

Appropriately qualified staff will be appointed to process applications and feasibility studies and carry out work in relation to the development of the National Electricity Transmission System. Travel, subsistence and computing costs will also be charged on an actual basis. It should be noted that these rates only apply to work carried out by the Transmission Licensee's in relation to licensed transmission activities. Different rates may apply when asked to quote for other work.

Table 5.1

	£/day		
	NGC	**SPT**	**SHETL**
Section Manager Internal Solicitor	940	790	875
Principal Power System Engineer	745	660	735
Senior Power System Engineer Project Manager Account Manager Senior Wayleave Officer	605	550	615
Power System Design Engineer Draughtsman	480	440	490
Graduate Engineer	405	370	410
Administrative Support	325	290	325

Index to the Statement of Use of System Charges (Issue 7) Revisions

Issue 7	Modifications	Changes to Pages