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Dear David

Uisenis Power Limited – Response to Open Letter on the Treatment of Anticipatory Investment in Determining the Local TNUoS tariff for the Western Isles Link

Uisenis Power is a developer of wind farms on the Western Isles. Baringa Partners, on behalf of Uisenis Power, developed the proposed charging methodology for the treatment of the second cable proposed for the Western Isles Link, referred to as Option 1 in the open letter. Option 1 is our preferred methodology. Please find our responses to the specific questions in the open letter set out below.

Question 1: What are your thoughts on the options presented for treatment of proposed anticipatory investment with respect to the Western Isles link?

We believe that the methodology set out in Option 1 of the open letter should be implemented:

- It is consistent with the existing approach to local asset charging in the AC onshore network, in that generators on the Western Isles will pay for their share of the double underground cable section which is effectively operating as a single 900MW circuit.
- It ensures that generators connected to the first link will be dealt with in the same way as those connecting to a future second link, and charged in an equitable manner.

Question 2: Do you believe that such treatment of anticipatory investment should be more explicit within Section 14 of the CUSC?

Whilst codification could explicitly resolve this specific issue, it might not tackle future unanticipated issues related to specific charging for other HVDC links. Rather than attempt to codify for every potential situation, we believe that National Grid should be allowed to apply the principles of the CUSC, with suitable transparency and consultation with industry. We believe this has been the case in developing the methodology set out in Option 1 for the Western Isles Link:

- The methodology has been developed in a transparent way, being presented and reviewed at TCMF, with the supporting paper and slides published on the National Grid website.
- Industry has been allowed to consult on the open letter.
- It would be consistent with the approach to the calculation of expansion factors on the AC network, which would not need codifying.

Therefore, we believe that such treatment of anticipatory investment does not need to be more explicit within Section 14 of the CUSC.

Question 3: Do you have any other thoughts or comments relating to the treatment of anticipatory investment either in the calculation of the local circuit tariff for the Western Isles link or more broadly in the TNUoS charging methodology?

It is critically important for the Western Isles to have clarity on future charging to reduce uncertainty in this area and allow projects to progress. Since the initiation of Project TransmiT in 2010 there has been significant uncertainty about charging for island links, further delays to resolving this issue would be unhelpful.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Nick Kay', written in a cursive style.

Nick Kay
On behalf of Uisenis Power Limited