

One-off Works

14.4.2 To provide or modify a connection, the transmission licensee may be required to carry out works on the transmission system that, although directly attributable to the connection, may not give rise to additional connection assets. These works are defined as “one-offs”. Liability for one-off charges is established with reference to the principles laid out below:

- Where a cost cannot be capitalised into either a connection or infrastructure asset, typically a revenue cost
- Where an incremental cost is incurred and cannot be reasonably avoided as a direct result of a request by a **User** to expedite their **Completion Date** (where it is possible to do so), including to facilitate availability of infrastructure or connection assets early for commissioning purposes (i.e. a 'backfeed charge')
- Where an incremental cost is incurred and cannot be reasonably avoided as a direct result of a request by a **User** to delay their **Completion Date** (i.e. a 'delay charge').
- There may be several backfeed or delay charges where Users make multiple requests to amend Completion Dates. For works which are required to facilitate more than one User's project, the first User seeking to request a change to the **Completion Date** will normally be fully liable for any delay or backfeed charges.

An example of these incremental delay or backfeed charges could include one or more of the following items, and will be provided with relevant supporting information:

- Capital and noncapital costs incurred in altering the **User's** previously agreed **Construction Programme**, such as site demobilisation and remobilisation costs, asset storage costs, re-tendering costs etc.
 - Financing costs associated with the delayed delivery of infrastructure assets and/or connection assets
 - Costs related to an Onshore Transmission Licensee's price control performance impacts as a consequence of delayed delivery of infrastructure.
 - Cost of Depreciation and permitted Rate of Return for any early use of Infrastructure Assets in the case of backfeed charges.
- Where a non-standard incremental cost is incurred as a result of a User's request, irrespective of whether the cost can be capitalised
 - Termination Charges associated with the write-off of connection assets at the connection site.

Consistent with these principles and in accordance with Connection Charging Methodology modification GB ECM-01, which was implemented on 1 December 2005, a one-off charge will be levied for a **Category 1 Intertripping Scheme** or a **Category 3 Intertripping Scheme**. A one-off charge will **not** be levied for a **Category 2 Intertripping Scheme** or a **Category 4 Intertripping Scheme**.

14.4.3 The one-off charge is a charge equal to the cost of the works involved, together with a reasonable return, as shown in 14.4.4 below.

14.4.4 For information, the general formula for the calculation of the one-off charge for works is outlined below.

One-off Charge = (Construction Costs + Engineering Charges) x (1 + Return %)

+ IDC + LD Premium

Where: Engineering Charges = "Engineering Charge" x job hours

Return % = 6%

IDC = Interest During Construction

LD Premium = The Company Liquidated Damages Premium (if applicable)

14.4.5 The calculation of the one-off charge for write-off of assets is outlined below:

Write-off Charge = 100% of remaining NAV of redundant assets

14.4.6 One-offs are normally paid on an agreed date, which is usually upon completion of the works. However, arrangements may be agreed between the transmission licensee and the User to pay the charge over a longer period. If a one-off is paid over a longer period it is termed a Transmission Charge. It is usually a depreciating finance charge or annuity based charge with a rate of return element and may include agreement on a schedule of termination payments if the agreement is terminated before the end of the annuity period. The charge is usually inflated annually by the same RPI figure that is used to inflate GAVs, though Users can request alternative indexation methods.

14.4.7 Where an infrastructure asset has been subject to One-off Works, and a User has paid a relating charge calculated in accordance with paragraph 14.4.4, The Company may adjust the treatment of the assets within the TNUoS transport model as set out in paragraphs 14.15.15 to 14.15.22.