

# **STCP Amendment Proposal Form**

**PA047**

**1. Title of Amendment Proposal**

Changes to arrangements for data exchange in STCP14-1: Data Exchange for Annual Charge Setting

**2. Description of the Proposed Amendment (mandatory field)**

Amendment seeks to:

- i.) Provide greater clarity as to the nature, quantity and format of the data exchanged between the System Operator and the Transmission Owners in relation to Annual Connection Charge Setting;
- ii.) Include provisions for further data exchange in relation to Transmission Network Use of System (TNUoS) Charge Setting to obtain the most recent data before charges are set.

**3. Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory field)**

At present STCP14.1 does not specify the level of detail which will be exchanged between the System Operator and Transmission Owners. The proposed wording addresses this, and also confirms the requirement for annual exchange of data necessary for the calculation of the Transmission Charging Factor (TCF). The current STCP14.1 also does not address the data exchange necessary for annual TNUoS charge setting.

**4. Impact on the STC (information should be given where possible)**

Additional detail incorporated into paragraph 3.2 of STCP 14.1 relating to Connection Charge Setting and the inclusion of a new paragraph (3.4) to STCP 14.1 relating to TNUoS Charge Setting.

**5. Impact on other frameworks e.g. CUSC, BSC (information should be given where possible)**

None

**6. Impact on Core Industry Documentation (information should be given where possible)**

None

**7. Impact on Computer Systems and Processes used by STC Parties (information should be given where possible)**

None

**8. Details of any Related Modifications to Other Industry Codes (where known)**

None

**9. Justification for Proposed Amendment with Reference to Applicable STC Objectives (mandatory field)**

This amendment is proposed in accordance with applicable STC Objectives a) "efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act", and e) "promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC" by enhancing and clarifying the process and increasing the cost reflectivity of the charges when they are set.

<b>Details of Proposer</b> Organisation's Name	National Grid Electricity Transmission plc
Capacity in which the Amendment is being proposed  (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
<b>Details of Proposer's Representative</b> Name Organisation Telephone Number Email Address	John Prime National Grid 01926 656781 <a href="mailto:John.prime@uk.ngrid.com">John.prime@uk.ngrid.com</a>
<b>Details of Representative's Alternate</b> Name Organisation Telephone Number Email Address	James Soundraraju National Grid 01926 653437 <a href="mailto:James.soundraraju@uk.ngrid.com">James.soundraraju@uk.ngrid.com</a>
<b>Attachments (Yes/No): Yes</b> Proposed wording of STCP14.1.	

**Notes:**

1. Those wishing to propose an Amendment to the STC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 7.2 of the STC.
2. The Committee Secretary will check that the form has been completed, in accordance with the requirements of the STC, prior to submitting it to the Committee. If the Committee Secretary accepts the Amendment Proposal form as complete, then she/he will write back to the Proposer informing them of the reference number for the Amendment Proposal and the date on which the Committee will consider the Proposal. If, in the opinion of the Committee Secretary, the form fails to provide the information required in the STC, then he/she may reject the Proposal. The Committee Secretary will inform the Proposer of the rejection and report the matter to the Committee at their next meeting. The Committee can reverse the Committee Secretary's decision and if this happens the Committee Secretary will inform the Proposer.

The completed form should be returned to:

Lilian Macleod  
STC Committee Secretary  
Commercial Frameworks  
National Grid  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick, CV34 6DA

Or via e-mail to: [STCTeam@uk.ngrid.com](mailto:STCTeam@uk.ngrid.com)

**Attachment 1: Revised Legal Text for STCP14-1 Data Exchange for Annual Charge Setting**

## ***STCP 14-1 Issue ~~003-004~~ Data Exchange for Annual Charge Setting***

### **STC Procedure Document Authorisation**

<b>Company</b>	<b>Name of Party Representative</b>	<b>Signature</b>	<b>Date</b>
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission Ltd			

### **STC Procedure Change Control History**

Issue 1	22/03/2005	BETTA Go-Live version
Issue 2	04/07/2005	Issue 002 incorporating PA018
Issue 3	25/10/2005	Issue 003 incorporating PA034 & PA037
<u>Issue 4</u>	<u>13/10/2006</u>	<u>Issue 004 incorporating PA047</u>

# **1 Introduction**

## **1.1 Scope**

1.1.1 NGET is responsible for the calculation, development and invoicing of Connection and Transmission Network Use of System (TNUoS) Charges. Connection and TNUoS Charges are set on an annual basis and apply to each Financial Year and NGET requires information from each TO to calculate these charges in accordance with the GB Charging Methodologies.

1.1.2 This document describes the data exchange process between NGET and TOs required so that NGET can calculate these charges in accordance with the GB Charging Methodologies.

1.1.3 This procedure applies to NGET and TOs. For the purposes of this document, TO means:

- SPT; and
- SHETL.

## **1.2 Objectives**

1.2.1 The objective of this document is to provide for effective data exchange between NGET and TOs to enable NGET to calculate Connection Charges and Transmission Network Use of System (TNUoS) Charges.

1.2.2 To meet this objective, this document specifies the following:

- the responsibilities of NGET and TOs in relation to data provision related to the calculation of Connection Charges and TNUoS ~~-charges~~Charges; and
- the lines of communication to be used.

## 2 Key Definitions and Interpretation

### 2.1 *For the purposes of STCP14-1:*

2.1.1 **GB Charging Methodologies** means the Statement of Use of System Charges, the Statement of the Use of System Charging Methodology and the Statement of the Connection Charging Methodology.

2.1.2 **Transmission Running Costs Factor** determines the component of the Connection Charge which recovers the running costs (e.g. rates, operation, indirect overheads), other than those recovered by Site Specific Maintenance Charges, incurred by the Transmission Licensees which can be attributed to Connection Assets.

2.1.3 **Connection Assets** are those assets solely required to connect an individual User to the GB Transmission System, which are not and would not normally be used by any other connected party (i.e. single-user assets).

2.1.4 **Infrastructure Assets** are those assets of the GB Transmission System which are not Connection (i.e. single-user) Assets.

2.1.5 **Scheme-Based Charges** are Connection Charges based on the indicative total GAV of a Scheme to provide a new or modified connection for a single User, prior to “out-turning” as described in Chapter 4 of the Statement of the Connection Charging Methodology.

2.1.6 **TO Allowed Revenue** is the amount specified to NGET by the relevant TO which is to be recovered by NGET and passed through to the TO.

2.1.7 **TSP** is the TO Allowed Revenue for SPT.

2.1.8 **TSH** is the TO Allowed Revenue for SHETL.

2.1.9 **December RPI Figure** is the Retail Price Index for the month of December as published by the Office for National Statistics.

## 3 Procedure

### 3.1 *Overview of Charge Setting Process*

3.1.1 An overview of the annual charge setting process is pictorially represented in Appendix A and interfaces between NGET and TOs is represented in the swim lane diagram in Appendix B.

## **3.2 Connection Charge Setting**

- 3.2.1 ~~By 1 October each year, NGET shall send an email to each TO requesting a forecast of:~~As part of the annual process for setting Connection Charges, it is necessary for the TOs to provide NGET with certain information in order to enable the calculation of Site Specific Maintenance Charges and the Transmission Running Costs Factor.
- ~~•the direct cost of maintaining that TO's connection assets in £m; and~~
  - ~~•the percentage of connection assets (as referenced in 3.2.3) in relation to Total Transmission System assets.~~
- 3.2.2 ~~By 31 October each year each TO shall provide the forecasts requested by NGET in 3.2.1 by email.~~The data required for the calculation of Site Specific Maintenance Charges are the £m forecasts of maintenance costs relating solely to Connection Assets within each TO area. This figure should be provided to 2 decimal places.
- 3.2.3 ~~The request from NGET shall include a schedule of all connection assets owned by that TO as currently included in the relevant Appendix A of each Bilateral Connection Agreement between NGET and relevant Users for the following Financial Year, listed by site, to enable the TO to apportion their forecast costs to connection assets.~~In order to aid this calculation, NGET will provide a list of Connection Assets to each TO detailing:
- Site
  - Customer
  - Asset description
  - Age
  - Commissioning Year
  - Current charging year's GAV
  - Current charging year's NAV
  - Any Scheme-Based Charges applicable in the charging year to be calculated
- 3.2.4 ~~NGET shall provide all necessary assistance in response to any reasonable query from TOs regarding the data request in 3.2.1 from NGET.~~This list of Connection Assets by each of the three Parties forms the total GB Connection Asset GAV. Any changes resulting from asset replacement shall be notified by the TO as soon as practicable via a change to the commercial agreements in place between the TO and NGET.
- 3.2.5 ~~Each TO shall provide all necessary assistance in response to any reasonable query from NGET regarding the data submitted by that TO pursuant to 3.2.2.~~The data required for the calculation of the Transmission Running Costs Factor should take the form of a TO-determined percentage of TO Connection Assets (as referenced in the list provided by NGET and incorporating any TO amendments), over the TO's total system assets (i.e. Connection Assets + Infrastructure Assets). This percentage should be provided to two decimal places.
- 3.2.6 Technically, in accordance with the Statement of the Connection Charging Methodology, this data is only required (and would therefore only be used) at the start of each price review period. However, for monitoring purposes, it is important that this information is provided on an annual basis in order to allow for decisions as to whether a "within price control period" change should be undertaken.
- 3.2.7 NGET will e-mail a request to both TOs requesting the data (and incorporating the list of assets referred to in 3.2.3 above) by the 1<sup>st</sup> October each year.

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3.2.8 Each TO is required to provide the data requested by e-mail (along with any amendments which may be required to the list of Connection Assets) by 31<sup>st</sup> October.

3.2.9 NGET shall provide all necessary assistance in response to any reasonable query from the TOs regarding the data request.

3.2.10 Each TO shall provide all necessary assistance in response to any reasonable query from NGET regarding the data submitted by that TO.

### **3.3 Charge Setting Parameter Review**

3.3.1 The GB Charging Methodologies may contain parameters used in the calculation of charges which are normally fixed but which may be reviewed at regular intervals, e.g. for the start of a new price control period. Additional data may be required by NGET in order to undertake a review of a charging parameter, and any such data will be requested in accordance with STCP 14-2: Data Requirements for Charging Consultations.

### **3.4 TNUoS Charge Setting**

3.4.1 By 1<sup>st</sup> November each year, SPT and SHETL will provide NGET with a best forecast of their TO Allowed Revenue (TSP and TSH respectively) for the following Financial Year. The TOs will update these figures by 10<sup>th</sup> January and again by the end of January as soon as possible after the December RPI Figure has been released.

## **4 Use of Substitute Data**

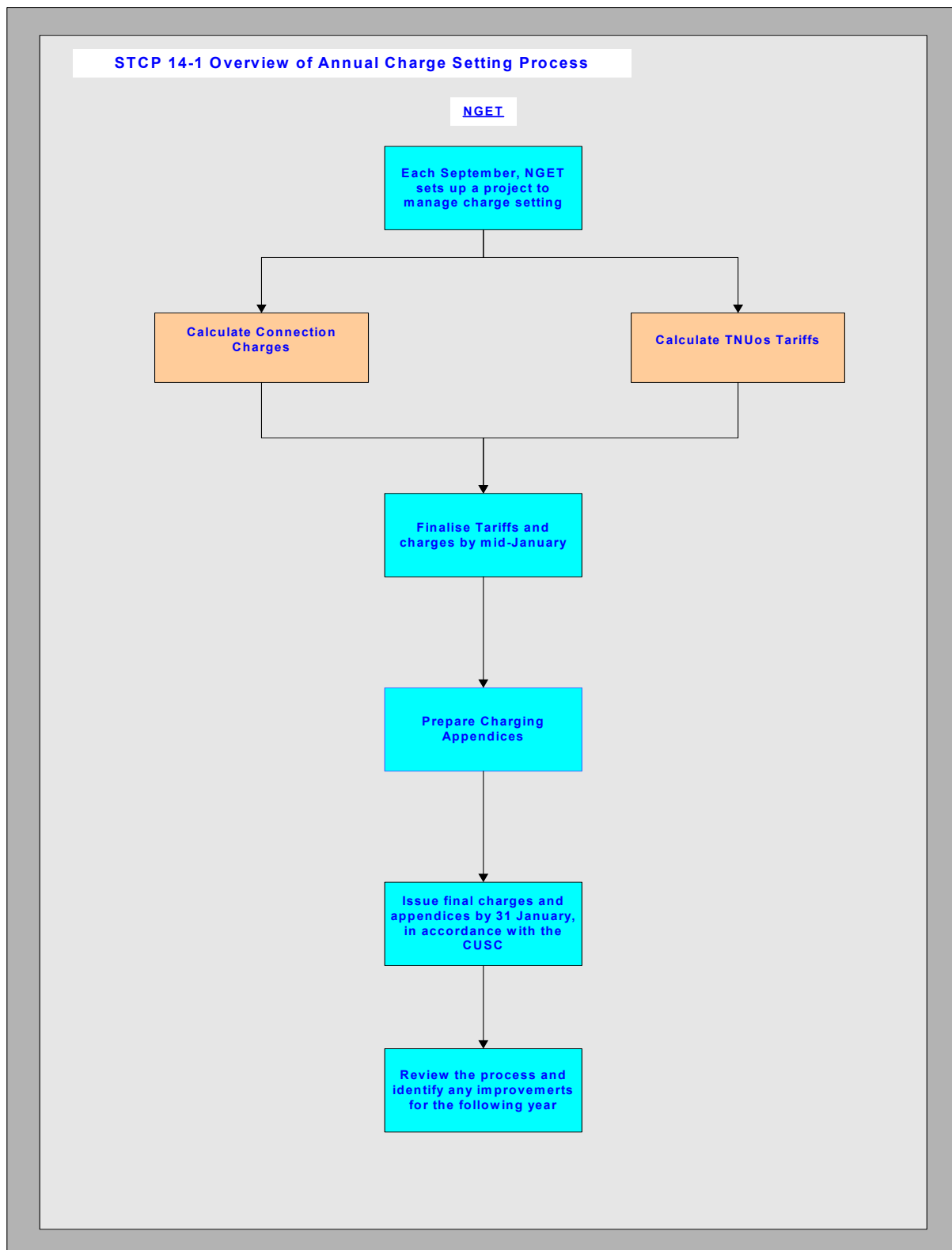
4.1.1 Where no data is provided or the data is subject to dispute, NGET shall use the data that it believes to be the most accurate until NGET is satisfied with the data provided or any dispute has been resolved.

4.1.2 Where NGET has used substitute data, NGET shall notify the relevant TO(s).

4.1.3 If applicable, once any dispute has been resolved, charges shall be revised on the basis of the appropriate data.

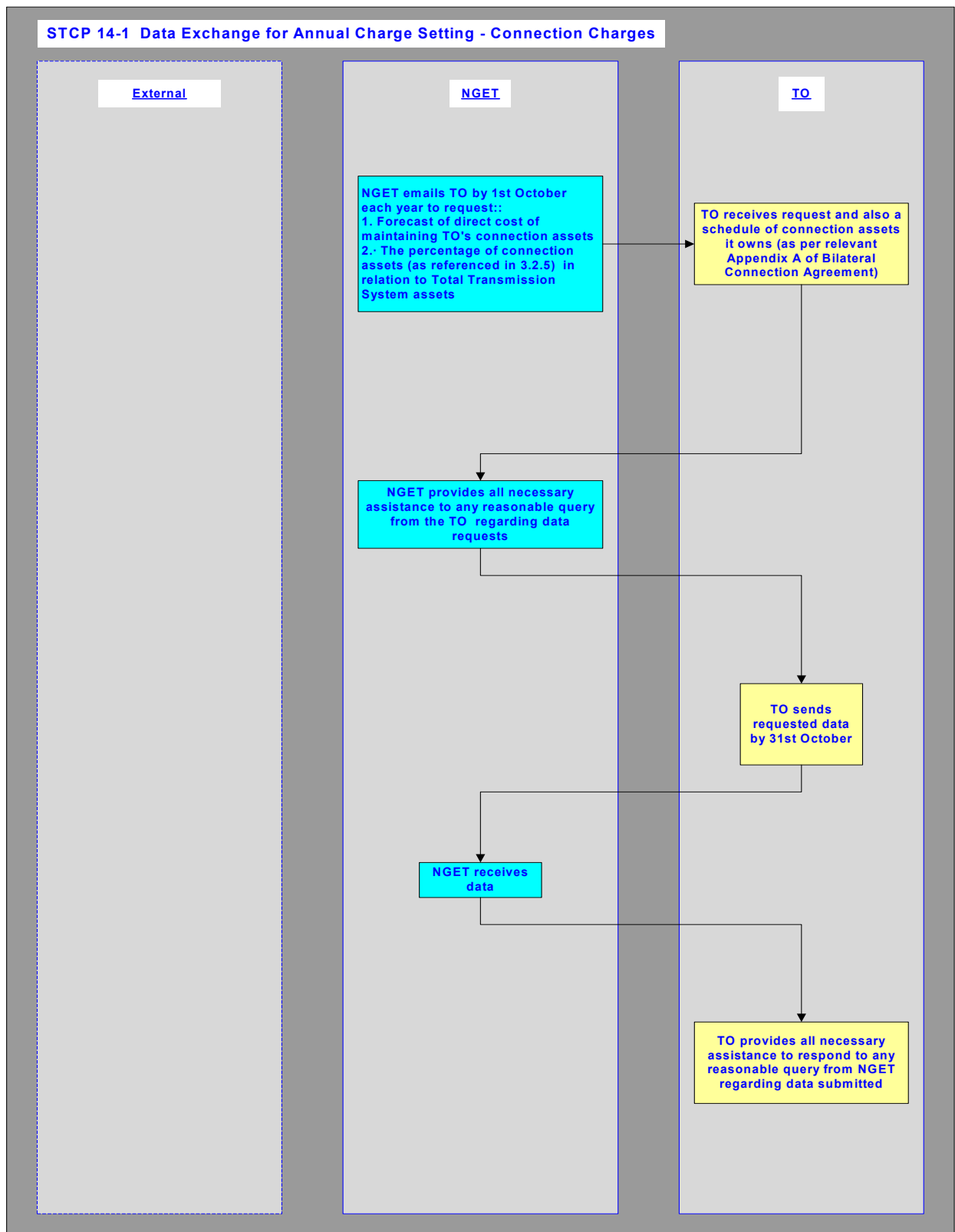
## Appendix A: Overview of Annual Charge Setting Process

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.



## Appendix B: Detailed Flow Diagram

Note that the Process Diagrams shown in this Appendix B are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.



## **Appendix C: Abbreviations & Definitions**

### **Abbreviations**

GAV Gross Asset Value

NAV Net Asset Value

SHETL Scottish Hydro-Electric Transmission Limited

SPT SP Transmission Limited

STC System Operator –Transmission Owner Code

STCP System Operator –Transmission Owner Code Procedure

TNUoS Transmission Network Use of System

TO Transmission Owner

### **Definitions**

#### **STC definitions used:**

~~Authority~~

Financial Year

GB Transmission System

NGET

Party

~~Transmission Licence~~

Transmission Licensee

Transmission Owner

User

#### **CUSC definitions used:**

~~Bilateral Connection Agreement~~

Connection Charges

Gross Asset Value

Net Asset Value

Site Specific Maintenance Charges

Transmission Network Use of System Charges

#### **Definitions used from other STCPs:**

Scheme As defined in STCP19-2 Construction Process & Scheme Closure