

TRANSMISSION OWNER/SYSTEM OPERATOR CHARGING USER GROUP (ChUG)

Minutes of 12 April 2016 meeting

Attendees:

Stuart Boyle	NGET-GBSO (Chair)
Mary Owen	NGET-GBSO
Michael Johnson	NGET-GBSO
Donald Smith	Ofgem
Edda Dirks	Ofgem
Ian Fothergill	SHET
Deborah MacPherson	SPTL
Chris Elderfield	SPTL
Dominik Adamus	Transmission Investment
David Phillips	Equitix

Agenda

Item	Issue for discussion	Lead
1.	Welcome and introductions	SB
2.	Minutes and actions from meeting of 15 Dec 2015	All
3.	STCP24-1 revenue forecasts	SB
4.	TCMF Update	SB
5.	Mid-life capital contributions (CMP248)	DMacP
6.	Converting one off charges to annual transmission charges	DMacP
7.	CMP244 - Extension of TNUoS notice period	SB
8.	Treatment of 11kV and 33kV Transmission Assets	DMcP
9.	Aligning indicative connection charges	DMcP
10.	RIGs customer bill impact	SB
11.	AOB	All
12.	Next meeting 14 June 2016	MJ

2. Minutes and actions from previous meeting

Minutes from the 15 December 2015 meeting were accepted.

Action CH070 to feedback concerns on CMP244 proposal to publish tariff and revenue information ahead of the September stakeholder publications was closed. Neither SHET nor SPT had concerns.

Action CH069 to explore if there is a precedent for 'exceptional' within year changes in revenue leading to changes in pass through revenue was closed. There had been a change in Scottish pass through a few years back due to a significant change in business rates. To date there had not been any changes for OFTOs. CMP244 proposes to advance the setting of TNUoS tariffs which will increase NGET-GBSO exposure to under/over recovery. If and how this proposal is implemented would have a bearing on the acceptability of within year changes to pass through revenue.

Action CH056 to add links to TO charging statements was closed. Links have been added to the following page:

<http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Transmission-network-use-of-system-charges/>

3. STCP24-1 revenue forecasts

Revenue forecasts were received from both Scottish companies during March/April. SB noted that there has historically been little change between the April and July forecasts of tariffs so these have been combined into a single forecast in June. The June forecast will include these latest revenue forecasts.

4. TCMF Update

SB highlighted that there were a number of modification proposals ongoing around the proportions of revenue paid for by generation and demand.

CMP249 proposes to clarify charges for customers who delay their connection date. SHE Transmission was not overly concerned due to the nature of generation connecting in their area but SPT are engaged in the proposal.

5. Mid-life capital contributions (CMP248)

DMcP noted that CMP248 to allow customers to make mid-asset-life capital contributions would require a change to the charging statements to include the option. Whilst the change would become effective from April the customer would have to give notice by September to align with when the security statements are done.

Action CH071: Paul Wakeley who is leading the modification to discuss implications with the other TOs.

6. Converting one-off charges to annual transmission charges

There is misalignment between the NGET-SO and TO charging statements for annuitizing one-off charges. This would need to be addressed for the 2017/18 charging statements but SPT felt that the current form of the statement prevented this change. Ofgem noted that changes in form of the statements could be proposed and agreed at any time for implementation in the next annual cycle.

7. CMP244 – Extension of TNUoS notice period

SB noted that the proposal had changed to 200 days' notice, i.e. mid-September setting of tariffs. This could not be implemented in time for 2017/18 tariffs so September 2018 was the first possibility if this proposal was implemented. Please direct any queries to Juliette Richards (NGET-GBSO).

8. Treatment of 11kV and 33kV Assets

The CUSC sets out what transmission assets are classed as connection assets. However the CUSC also recognises that assets at lower voltages may be owned by transmission companies and may be classed as connection assets.

Action CH072: SPT to circulate their rationale for determining which lower voltage assets they class as connection.

9. Aligning indicative connection charges

DMcP noted the progress that had been made last year to improve alignment of connection charges across the charging statements.

10. RIGs customer bill impact

SB noted that impact on customer bills had been added to the Regulatory Information Guidance for this year's RRP cycle. He noted that there was no agreed methodology for calculating the impact of transmission on customer bills and that Ofgem were no longer issuing the Supply Market Indicator data and guidance which had previously included this information. Lynette Norton (NGET) was intending to hold a teleconference with other TOs to discuss how to progress this.

Action CH073: Donald Smith to provide a contact at Ofgem to discuss methodology.

11. Any other business

Iain Fothergill is standing down from ChUG and would be replaced by Maz Alkirwi.

Stuart Boyle is standing down from ChUG and would be replaced by Louise Schmitz who is the new Revenue Manager.

NGET are keen to handover the chair role having held it for over a year. Noted that other members are either quite new to the group or too busy at the moment. NGET agreed to chair the next meeting.

12. Next Meeting

Tuesday 14 June 2016, 10-11am