



Modification Proposal

Amendment Proposal: Central Networks East

Small and Medium Embedded Power Stations

Date of Issue: October 2006

For Approval by the Authority

This Modification Proposal sets out Central Networks East's proposals to amend its Connection Charging Methodology contained within its Licence Condition 4 Connection Charging Methodology Statement (the "Statement").

Issue Record

Issue Date	Issue No.	Author	Amendment Details
October 2006	001	John Hill	

1.0 Introduction

1.1 In accordance with Condition 4B, paragraph 10(a) of Central Networks East's Distribution Licence, we request a modification to our connection charging methodology.

1.2 This Modification Proposal sets out the following: -

- i) the terms proposed for the modification;
- ii) how the modification would better achieve the relevant objectives; and
- iii) a date with effect from which the modification is to take effect.

1.3 The relevant objectives in Licence Condition 4B, paragraph 3 state:

- (a) that compliance with the connection charging methodology facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;*
- (b) that compliance with the connection charging methodology facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;*
- (c) that compliance with the connection charging methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the licensee in its distribution business; and*
- (d) that, so far as is consistent with sub-paragraphs (a), (b) and (c), the connection charging methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's distribution business.*

1.4 This modification proposal addresses changes to better meet objective 3(a), (b), (c) and (d) of Licence Condition 4B detailed above. The

proposal relates to the addition of a form of wording as detailed in section 2.3.1 of this Modification Proposal

2.0 Modification to the Statement to include Small and Medium Embedded Power Stations

2.1 Proposals for Modification

2.1.1 Central Networks proposes that there is included within Section 6 of the Statement an additional sub-section to provide for Small and Medium Embedded Power Stations which are connecting or are intending to connect to its Distribution System.

2.2 Reasons for a Modification

2.2.1 Small and Medium Embedded Power Stations are defined in the CUSC. Central Networks is now required as a consequence of a change to the CUSC to submit to National Grid (NG) a request for a Statement of Works when a Medium Embedded Power Station intends to connect to the Distribution System, or where (in its reasonable opinion) a Small Embedded Power Station is likely to have a significant effect on the Transmission System, NG may levy charges on Central Networks East for study works to assess the impact of the generator on the Transmission System.

2.3 Proposed Changes to the Statement

2.3.1 Under Section 6 – Connection Issues and Specific Exclusions, it is proposed to include the following wording as an additional sub-section under the sub-section heading Generator Connections. This sub-section will read as follows: -

Small and Medium Embedded Power Stations

As a result of a change to the CUSC in July 2006, the cost of connecting certain sized generators to our Distribution System may now include charges incurred by Central Networks in establishing the impact that the generator may have on National Grid's (NG) Transmission System.

The change to the CUSC requires Distribution Network Operators (DNOs) to submit to NG a request for a Statement of Works when a small or medium sized generator intends to connect to the Distribution System of that DNO, or where (in

our reasonable opinion) a smaller exempt generator is likely to have a significant effect on the Transmission System.

Such Statement of Works enables NG to assess the impact on the Transmission System the connecting generator will have in order to determine whether or not any reinforcement to their system is required.

In the event that a modification is required to the Transmission System as a consequence of the connection of the generator to the Distribution System, then all reinforcement costs to the Transmission System will be borne by the generator.

The link below will take you to the relevant page on NG's website where you can find details relating to the Statement of Works, section 6.5.5 of the CUSC refers. together with exhibit S of the CUSC which is a blank copy of the Statement of Works This will provide you with the detail we will require in order to submit such a statement to NG.

Charges levied by NG to Central Networks for study works to assess the impact of the generator on the Transmission System will be passed on to that generator together with all other charges associated with any modification works necessary to the Transmission System.

We will provide you with a formal offer for the connection to our Distribution System within the prescribed timescales of 90 days as laid down in our licence. However, you should note that should it be necessary to submit a Statement of Works to NG, we will inform you accordingly and of the likely timescales involved..

For details as to whether or not your generator is eligible to be exempt from a licence, please follow the link below which will take you to the HMSO website where you will find the Statutory Instrument 2001 No. 3270 entitled The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001, please note there is a subsequent amendment to this Order.

<http://www.opsi.gov.uk/si/si2001/20013270.htm>

3.0 Implementation Date

- 3.1 This modification is proposed for implementation on 1 December 2006 or as soon as possible thereafter.