



SP Transmission Limited

Response to Ofgem's Impact Assessment, published on 15 December 2006, on "Charging arrangements associated with GB SQSS design variations based on customer requests"

This response is on behalf of SP Transmission Limited (SPTL). As a Transmission Owner (TO) in Scotland, SPTL does not have direct contractual relationships with generators connected to its transmission assets but does have an interest in ensuring that the transmission access and charging arrangements are consistent with our obligations to develop and maintain an efficient, co-ordinated and economic transmission network.

TNUoS Discount Mechanism

We support NGET's proposal but remain concerned that the proposed TNUoS discount mechanism may be insufficient to incentivise customers to move to single circuit connections.

SQSS Compliance

One of the key principles of NGET's proposal is that it is the customer that should retain the choice of what type of connection is most efficient for itself. It is important that this principle is subject to SQSS compliance such that the choice of connection does not have a detrimental impact on the main transmission system.

Impact on GB Queue

One issue raised by Ofgem is the potential impact on customers in the GB queue that have accepted an offer and may now wish to revisit their offer should this charging proposal be approved. In our view, the existing arrangements under the CUSC allow customers to change from double circuit to single circuit connections without impacting on their GB queue position.

Price Control Funding

Finally, it should be noted that we are presently working with Ofgem to prepare updated Licence conditions to implement the final proposals for the transmission price control review. These Licence conditions must reflect the final proposals by ensuring that full and timely funding is provided through our price control to meet existing contractual obligations for double circuit connections.