



MODIFICATION PROPOSAL ENW/2009/002

Electricity North West Limited

Proposal to revise our System Study charging methodology and charges as contained within our Licence Condition 4B statement.

Date of Issue: 15 May 2008

For approval by the Gas and Electricity Markets Authority

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1. Description of the modification

Electricity North West Limited proposes to revise its Standard Licence Condition 4B statement to take account of the guidance provided in Ofgem's recent determination RBA/TR/A/DET/89. The revision concerns the System Study charging methodology and charges framework, associated with both statutory and competitive connections to its electricity distribution network.

2. Reasons for the change with an explanation of how the proposed change better meets the relevant objectives

Our proposal will better meet the relevant objectives in the following ways:

- It provides greater clarity regarding the circumstances in which Electricity North West's agent United Utilities Electricity Services will need to undertake a System Study. The statement includes the factors that will be considered by United Utilities Electricity Services when determining the extent and complexity of the network condition assessment for a new connection;
- It ensures that cost reflective charges will be levied for demand or generation connections, as individual products, and provides for transparency of the charging differentials, per product, based on capacity requirements and voltage of connection (where appropriate).

3. Proposed System Study methodology and charges framework

System Studies

- 7.5 [A system study will be undertaken by Electricity North West's agent United Utilities Electricity Services where in accordance with the criteria provided in this section, the application is likely to have a material effect on the safe and secure operation of the system and/or any adverse effect on other connected customers.](#)

[A system study, where undertaken, will:](#)

- [Assess the existing capacity of Electricity North West's electricity distribution network to be able to accept the demand or generation connection application requirements \(ie that the network will remain in compliance with appropriate national and Electricity North West standards\); and](#)
- [Define the minimum cost scheme, in accordance with Electricity North West's engineering designs and specifications.](#)

A range of indicative charges, for system studies are shown ~~below. A system study is required for all generation connection applications and for large and/or complex demand connection applications in the Tables below for generation and demand connections.~~

A system study will be undertaken for any generation connection application received by Electricity North West's agent United Utilities Electricity Services, except for a single SSEG installation notification which does not form part of a multiple installation programme on the same electrical feeding path. The system study charges are as set out in table 7a below.

Table 7a Indicative system study charges for generation connections.

Activity	Indicative charge
System Study charges for generation capacity up to and including 1 MVA	£825
System Study charges for generation capacity of from 1 MVA but less than 4 MVA	£1,650
System Study charges for generation capacity of from than 4 MVA but less than 10 MVA	£4,055
System Study charges for generation capacity of more than 10 MVA but less than 40 MVA	£6,421
System Study charges for generation capacity of more than 40 MVA but less than 100 MVA	£11,827
System Study charges for generation capacity of more than 100 MVA	Price on Application

Capacity (MVA)	Indicative charge
<u>Up to and including 1</u>	£
<u>>1 up to and including 4</u>	£
<u>>4 up to and including 10</u>	£
<u>>10 up to and including 40</u>	£
<u>>40 up to and including 100</u>	£
<u>>100</u>	<u>Price on Application</u>

A system study will be undertaken for a demand connection application received by Electricity North West's agent United Utilities Electricity Services, where the connection requirements meet one or more of the following criteria:

- The nature of the new load to be connected is likely to give rise to power quality problems on Electricity North West's electricity distribution network. Examples of equipment that would cause power quality problems are:
 - Arc Furnaces
 - Welding Plant
 - Electric Motors, where material (P28 provides guidance on the connection of disturbing loads)
 - Any significant non-linear load (ie thyristor and other electronically controlled loads)
- There is likely to be a material impact on any upstream network as a result of the connection, when considering the amount of capacity headroom available on that upstream network, particularly where the upstream network is operated with parallel paths such that revised power flows cannot be determined by inspection.

The system study charges are as set out in table 7b below. Note that the need for a study at LV will be the exception, and then only in relation to industrial or commercial loads.

Table 7b Indicative system study charges for demand connections.

<u>Voltage at POC</u>	<u>Capacity (MVA)</u>	<u>Indicative charge</u>
<u>LV</u>	<u>Up to 1</u>	<u>£</u>
<u>HV</u>	<u>Up to and including 2</u>	<u>£</u>
<u>HV</u>	<u>≥2</u>	<u>£</u>
<u>33kV</u>	<u>Up to and including 10</u>	<u>£</u>
<u>33kV</u>	<u>≥10</u>	<u>£</u>
<u>132kV</u>	<u>Any</u>	<u>Price on Application</u>

7.6 These charges are for illustrative purposes only and are based on current direct labour and overhead rates calculated for our system study operatives. Note, payment of system studies charges (plus VAT) ~~are~~ is required in advance of the study being undertaken.

Glossary of terms

P28	Engineering Recommendation P28 is a document issued by the ENA and covers the distribution network planning limits for voltage fluctuations caused by industrial, commercial and domestic equipment in the United Kingdom.
SSEG	A Small Scale Embedded Generator (SSEG) is a source of electrical energy rated up to and including 16 Ampere per phase, single or multi phase, 230/400 Volt AC.

4. Proposed illustrative structure of charges

There is an attachment to this document with the relevant areas to be changed highlighted in track changes. This should make it easy to see how the areas of change sit within the Condition 4B statement.

5. A timetable for the implementation of the modification and charges changes

Date	Activity
15 May 2008	Modification proposal submitted to Ofgem for approval.
12 June 2008	Electricity North West Limited's proposed implementation date.