

<b>Modification Request (SLC 13.4) Connection Charging Methodology Statement for 2008/09</b>		<b>SHEPD/08/001A</b>
<b>Title:</b> Amending the description of Cost Apportionment Rules and housekeeping changes to Scottish Hydro Electric Power Distribution's 2008/09 approved Connections Charging Methodology statement.		
<b>Organisation Name:</b>		Scottish Hydro Electric Power Distribution plc
Details of Proposer:	Name:	Malcolm Burns, Regulation Manager
	Organisation:	Scottish and Southern Energy plc
	Telephone number:	01738 456571
	Email address:	malcolm.burns@scottish-southern.co.uk
<b>Description of Proposed Modification:</b>		
<p>Following a review of the existing connection methodology statement, the following amendments are proposed below.</p> <ol style="list-style-type: none"> <li>Section 4, Item 1.10.1, 2nd line – change “<i>Reinforcement</i>” to “<i>reinforcement</i>” and adding clarification of the voltage of connection; i.e. <ul style="list-style-type: none"> <li>1.10.1. <i>The allocation of reinforcement costs are determined by a proportionate method known as the Apportionment Rules with reinforcement costs being limited to one voltage level above that of the connection, the voltage of connection being the voltage at the point of connection to the existing network.</i>”</li> </ul> </li> <li>Section 4, Item 1.10.2, 2nd line – amend 1st line from “<i>All connecting parties (both demand and connection)...</i>” to read as “<i>(i.e. all applicants for demand and generation Connections)...</i>”; i.e. <ul style="list-style-type: none"> <li>1.10.2. <i>All connecting parties (i.e. all applicants for demand and generation Connections) will be required to contribute to reinforcement costs on a sliding scale basis. The Apportionment Rules provide sufficient locational signals within the connection charge but equally recognise the benefit that other users will get from the assets installed.</i></li> </ul> </li> <li>Section 4, Item 1.10.6, 3rd line – delete the sentence “<i>These factors apply to all equipment types and recognise the granularity of their size.</i>”</li> <li>Section 4, Item 1.10.6, (a) Security requirements – Change reference to “<i>ER p2/6</i>” to “<i>ER P2/6</i>”.</li> <li>Section 4, Item 1.10.6, (a) Security requirements – Insert the following new paragraph: <ul style="list-style-type: none"> <li>“<i>Where a customer requests an increase in capacity the increment of capacity will be used as the basis of apportioning cost.</i>”</li> </ul> </li> <li>Section 4, Item 1.10.6, (b) Fault Level Requirements – Insert following text to the end of 2<sup>nd</sup> sentence of the 1<sup>st</sup> paragraph, “<i>and recognises the granularity of equipment sizes and limits this exposure to connecting parties.</i>”; i.e. <ul style="list-style-type: none"> <li>“<i>It uses the “New Equipment fault Level Capacity” which is the equipment rating following the replacement of assets and recognises the granularity of</i></li> </ul> </li> </ol>		

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<p style="text-align: center;"><i>equipment sizes and limits this exposure to connecting parties.”</i></p> <p>7. Section 4, Item 1.11 – Delete the word “large” from the second line i.e.</p> <p style="text-align: center;"><i>“In cases where reinforcement assets have been installed to allow the connection of a party and due to the incremental plant sizes spare capacity has been created a proportion of this cost will be recovered through Use of System tariffs. However if a subsequent party then connects to the network using some or all of the spare capacity, a proportion of the reinforcement costs will be charged to the second comer within the prescribed periods.”</i></p>	
<p><b>Reasons for the Change including an explanation of how the proposed change better meets the relevant objectives:</b></p> <p>The proposed change facilitates general achievement of the relevant objectives by improving clarity in order to enable customers to better understand how their charges are calculated.</p>	
<p><b>Proposed wording for the statement:</b></p> <p>All the above changes are shown in revision-marking in the accompanying version of the relevant extract from SEPD’s Connections Charging Methodology Statement for 2008/ 09.</p>	
<p><b>Proposed timetable for implementation of the modification changes:</b></p> <p>It is proposed that this version of the connection methodology statement will apply from 1 September 2008 or as soon as possible thereafter.</p>	
<p><b>Consultations</b></p> <p>The proposed modification takes account of the comments in Ofgem’s letter dated 16 June 2008. As such, industry consultation should not be necessary.</p>	