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Dear Catherine

Consultation on proposal to modify Standard Licence Condition C13 of the electricity transmission licence (Adjustment to use of system charges (small generators))

Thank you for the opportunity to respond to Ofgem's Consultation on proposal to modify Standard Licence Condition C13 of the electricity transmission licence (Adjustment to use of system charges (small generators)). This response is provided on behalf of National Grid Electricity Transmission plc (NGET). NGET owns the electricity transmission system in England and Wales and is the National Electricity Transmission System Operator (NETSO). In carrying out these roles National Grid complies with its electricity transmission licence. Standard Licence Condition C13 is contained within this licence and as such NGET, in its role as NETSO, adjusts its Transmission Use of System (TNUoS) charges accordingly.

TNUoS charges are set in accordance with section 14 of the Connection and Use of System Code (the CUSC). Paragraph 14.14.10 of the CUSC requires NGET to publish the final TNUoS tariffs that will apply for the Financial Year 2016/17 by the end of January 2016. Therefore, based on this consultation we will include the effect of Standard Licence Condition C13 in our forecast of Maximum Allowed Revenue for the purposes of setting final TNUoS tariffs in January unless we are informed otherwise by 24th January.

We note that Standard Licence Condition C13 was introduced to provide a level playing field for small 132kV connected generators in Scotland while industry developed enduring arrangements for transmission charging for distribution generators. We recognise that this work is ongoing, and have been leading industry discussions to develop arrangements. We recently consulted with industry on this area¹, and are currently reviewing responses prior to determining our next steps. All non-confidential responses to this consultation are now published on our website².

Please contact Andy Wainwright (andy.wainwright@nationalgrid.com / 01926 655944) if you would like to discuss further.

Yours sincerely

[By e-mail]

Nicola Medalova
Head of Market Change Electricity

¹ <http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Transmission-Network-Use-of-System-Charges/Transmission-Charges-Open-Letters/>

² <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=43925>