

CUSC Code Administrator Consultation Response Proforma**CMP343 & CMP340 - Transmission Demand Bandings and allocation (TCR)**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 22 September 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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CMP343**For reference the applicable CUSC Charging objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and*
- e. *Promoting efficiency in the implementation and administration of the use of system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

CMP340**For reference the applicable CUSC non-charging objectives are:**

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views in the right-hand side of the table below, including your rationale.

CMP343 - Standard Code Administrator Consultation questions		
1	Do you believe that the CMP343 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8 or WACM9 better facilitates the Applicable CUSC Charging Objectives?	<p>We do not support all of the options listed. We only support the WACM's that have a four-band solution.</p> <p>Network Rail's costs are off-charged to Train Operating Companies ("TOCs") using electrified railway, such as Southeastern. Southeastern's network is fully electrified.</p> <p>Network Rail has consistently been paying a fair share towards network charges.</p> <p>The TNUoS liability faced by Network Rail by approving a 1 band approach would more than double our liability and the 2-band approach would increase it 7-fold.</p>
2	Do you support the proposed implementation approach for CMP343?	We support the implementation timescales of April 2022.
3	Do you have any other comments for CMP343?	When Ofgem detailed the principles behind ensuring users contributed a fair and proportional amount towards network charges in their TCR consultations, we were encouraged that those who actively managed TNUoS liability may end up contributing more than they had been doing previously. Due to a combination of small and large sites connected to the Transmission network we

		<p>would have expected Network Rail's liability to remain broadly the same.</p> <p>We were pleased to see that EDF raised the option of a 4-band approach which seems a perfectly reasonable way in which to allocate costs for access to the transmission network; proportional to the consumption used on that site. This option would indeed keep our liability broadly the same as it is now.</p> <p>We accept that a perfect solution is not possible for all users to benefit from such reform but one that significantly increases contribution by two or seven times seems wholly unfair and distortive.</p> <p>We note that for sites connected to the Extra High Voltage point on the distribution network, there has been a sensible solution that recognises the different size of users connected at that level. We would expect, at the very least, the same solution to apply for sites connected to the Transmission network. We cannot reconcile a reasonable rationale, which aims to deliver a fair contribution to network charges, to any solution other than the 4-band option.</p> <p>The 1 and 2 band solutions seem to be disproportionate due to the distribution of different sized connections on the transmission network.</p> <p>We would be extremely disappointed if Ofgem approved a solution to collect Transmission charges that was based on a different solution to a site connected to the distribution network without a credible rationale.</p>
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CMP340 - Standard Code Administrator Consultation questions

1	Do you believe that the CMP340 Original solution, WACM1 or WACM2 better facilitates the Applicable CUSC Objectives?	No comment
2	Do you support the proposed implementation approach for CMP340?	No comment
3	Do you have any other comments for CMP340?	No comment.

