



NIE ENERGY SUPPLY

**RESPONSE TO TRANSMISSION USE OF
SYSTEM CHARGING CONSULTATION
PAPER**

We have reviewed the consultation paper on Transmission Use of System (TUoS) Charging and have detailed comments on a number of areas below.

Basis of calculation

The consultation document discusses a number of inputs and associated issues feeding into the proposed TUoS charges. Whilst some issues are clearly explained in the paper, a number of key areas remain unclear and would benefit from further explanation. This is particularly the case with the “reverse MW-mile” calculation.

Without a more detailed explanation of all elements making up the TUoS calculation it is difficult to provide a comprehensive response to the consultation paper. However, in broad terms we feel that the TUoS charges should follow a few basic guidelines, in that they should:

- minimise disturbance / distortion of tariffs
- follow best practice
- fairly allocate costs between the generator and the customer

Locational Basis of TUoS Charges

The consultation paper makes no reference to the important cross-jurisdictional issues which have been a consistent theme of previous decision papers. Indeed, decision paper AIP-SEM-07-50 published on 15th March 2007 clearly states that “in order to offset any increase in costs to NI consumers relative to consumers in ROI, the Regulatory Authorities consider it appropriate to make an adjustment, up until the first of the cancellation dates in the PPB contracts”.

Cross-jurisdictional issues are an integral element in considering TUoS charging as a whole. As the issue has not been raised in this consultation it is imperative that any decision paper or further consultation incorporates the issues to ensure that they do not drop off the agenda without proper consideration.