



**NTS GCD05 Options for an SO Commodity charge for NTS Storage  
Facilities  
Comments from AEP<sup>1</sup>**

The Association of Electricity Producers (AEP) welcomes the opportunity to comment on this discussion document. We are aware of the debate that has taken place at the TCMF and have in the past participated in these discussions.

Our views remain largely unchanged from those reflected in our responses to Mod 120 and NTS GCM03 in 2006. We continue to believe that charges should be levied at storage offtakes, they should be based on physical flows and they should be calculated on the same basis as at other offtakes, we do not accept many of the arguments for excluding certain elements of SO costs specifically for storage offtakes as similar arguments could apply to other offtakes that are similarly located or are also interruptible.

However we are mindful that there remains no clear way forward for the NTS enduring exit arrangements. Decisions concerning these arrangements will establish clear principles concerning the treatment of offtakes, whether all offtakes must be subject to identical arrangements and whether there may be any long term interruptible options. We would therefore suggest that any further consideration of the application of an SO commodity charge to storage offtakes is delayed until such time as the wider NTS exit arrangements are clear to enable consistency of approach. This would also seem to be a pragmatic way forward given the relatively small charge proposed, the likely implementation costs and to avoid further incremental change in the future.

22nd February 2008

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<sup>1</sup> The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.