



**OVERVIEW DOCUMENT TO
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC'S
SUITE OF CHARGING STATEMENTS**

This statement is effective from 1st December 2008

Version 1.1

Scottish Hydro Electric Power Distribution plc

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DISTRIBUTION PLC'S SUITE OF CHARGING STATEMENTS**

Version Number	Description of Changes
V1	SHEPD – Overview Document for Suite of Charging Statements
V1.1	

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1. INTRODUCTION

- 1.1 This overview has been created to support the following suite of statements issued by Scottish Hydro Electric Power Distribution plc (generally referred to within this overview as “SHEPD”), which describe how we charge for connection to and use of our distribution system, as well as transactional and metering charges:
- The Use of System Charging Statement for use of SHEPD’s Electricity Distribution System
 - The Metering Point Administration Services Statement
 - The Miscellaneous Services Charges Statement

2. WHO WE ARE

- 2.1 The suite of statements are produced by SHEPD, in accordance with the requirements of its Electricity Distribution Licence.
- 2.2 SHEPD is the licensed electricity distribution business, which operates networks in the North of Scotland part of Great Britain. It also owns and operates small, embedded distribution systems in the South of Scotland.
- 2.3 SSE Power Distribution is a trading name of Scottish Hydro Electric Power Distribution plc, Southern Electric Power Distribution plc and Scottish Hydro Electric Transmission Ltd, and is a part of the Power Systems division of Scottish and Southern Energy plc.

3. LICENCE OBLIGATIONS

- 3.1 SHEPD is obliged, under Condition 14 of its Electricity Distribution Licence, to prepare a statement, in a form approved by the Authority, setting out charges that will be made for the use of its distribution system. The Use of System Charges statement will be reviewed annually to ensure that the information set out in it continues to be accurate in all material respects.

Further information on the methodology which SHEPD uses to derive its Use of System Charges is set out in our Use of System Charging Methodology statement, which is approved by the Authority.

Words and expressions used in this statement have (unless specifically defined herein) the definitions given to them in the Electricity Act 1989 (the “Act”) or the Licence and shall be construed accordingly. Charges and costs are current at the time of publication and will not be changed, except as provided for in the relevant agreement, and subject to Condition 14 of the licence, and are exclusive of VAT.

A fee of £5 (excluding VAT) will be payable for each copy of this statement which is provided in accordance with a request.

The statements are also available for download from the SSE Power Distribution website at:

<http://www.ssepd.co.uk>

This will launch a webpage from which select the “Technical Info” link and then the “Charging Statements” link. The Annual Charging Statements and other associated information can be found under the appropriate headings which if selected will launch a “pop-up” page containing the relevant company information.

4. CONTRACTUAL FRAMEWORK

- 4.1 Users entitled to use SHEPD’s distribution network, are those who are authorised, by Licence or by exemption under the Act, to supply, generate or distribute electricity (“Authorised Electricity Operators”).
- 4.2 Authorised Electricity Operators seeking to use SHEPD’s distribution system will be required to be a party to and comply with the Distribution Connection and Use of System Agreement (the “DCUSA”) in accordance with their licence. This requirement shall include all the criteria as stated in 16.1 of the DCUSA. In addition, they will be required to :
- Pay all charges due in respect of Use of System, as described in our Licence Condition 14 document titled “Statement Of Charges For Use Of Scottish Hydro Electric Power Distribution plc’s Electricity Distribution Network”; and
 - Comply with the provisions of the Distribution Code (a copy of which is available free of charge from the Distribution Code Website, www.dcode.org.uk or alternatively an unserviced copy is available for £50 plus postage, packaging and VAT).

5. USE OF SYSTEM CHARGING

- 5.1 This section lists the methods by which charges will be made for use of SHEPD’s system. The information is detailed in the following sub paragraphs:
- Billing and payment by Settlement Class
 - Settlements Process
 - Site Specific Billing and Payment
- 5.2 Billing and payment by Settlement Class

The Supercustomer approach to use of system billing makes use of the way that the Supplier’s energy settlements are calculated. In brief, the use of system charge to the Supplier will have a fixed portion based on the number of metering point administration numbers (MPANs) supplied and a unit portion based on kWh consumption. The charge is calculated in a way that corresponds to the calculation of the Supplier’s energy purchases.

5.3 Settlements Process

Suppliers register MPANs that they supply, within the SHEPD authorised area, with the SHEPD Meter Point Administration Service. These registration details are passed on by the Supplier to the data aggregator, who puts them into the settlements process.

The settlements process consists of the following steps:

- Data collectors pass consumption information to the data aggregator based on periodic meter readings and estimates;
- The data aggregator aggregates consumption by Supplier and settlement class and sends it to the Supplier Volume Allocation Agent (SVAA);
- SVAA profiles Supplier consumption into half-hour values to calculate energy purchases and to generate a use of system report that details consumption by settlement class;
- SHEPD receives a use of system report detailing consumption in its authorised area. Each Supplier receives a copy of that use of system report (with consumption figures for other Suppliers removed);
- For each settlement day, the above steps are carried out, normally, once for an initial settlement run, three times for a reconciliation settlement run, up to three months apart, and once for a final reconciliation run up to six months after the third reconciliation run. This process builds up to an increasingly accurate picture of consumption; and
- Suppliers receive a daily statement from SHEPD detailing use of system charges and consumption (kWh and MPAN count) by settlement class for a given settlement day and a specific settlement run. Suppliers also receive a periodic bill showing amounts due. The bill covers all settlement days for which use of system reports have been received during the financial period and takes reconciliation into account.
- For information on the Initial Account and Reconciliation Accounts, please refer to the DCUSA, Clauses 20.1 to 20.6.

5.4 Site Specific Billing and Payment

For information on Use of System billing in relation to site specific customers, please refer to the DCUSA, Clauses 21.1 to 21.4.

6. CONTACT DETAILS

- 6.1 This statement has been prepared in order to discharge SHEPD's obligation under the Distribution Licence. If you have any questions about the contents of this statement please contact us at the address shown below. Also given below are contact details for the Office of Gas and Electricity Gas Markets should prospective users wish to enquire separately on matters relating to this statement.

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