





Stage 4: STC Final Modification Report		At what stage is this document in the process?								
<h1>CM059: 'Changes to Section C and H following OFGEM Response to Adjudication Request'</h1>		<table border="1"> <tr> <td>01</td> <td>Initial Modification Report</td> </tr> <tr> <td>02</td> <td>Industry Consultation</td> </tr> <tr> <td>03</td> <td>Draft Final Modification Report</td> </tr> <tr> <td>04</td> <td>Final Modification Report</td> </tr> </table>	01	Initial Modification Report	02	Industry Consultation	03	Draft Final Modification Report	04	Final Modification Report
01	Initial Modification Report									
02	Industry Consultation									
03	Draft Final Modification Report									
04	Final Modification Report									
<p><b>Purpose of Modification:</b> This proposal seeks to modify the System Operator Transmission Owner Code (STC) to reflect the incorrect referral in Section C Paragraph 5.9.5 to the Licence instead of Section H identified by OFGEM on 3<sup>rd</sup> September 2015 after a referral by SHET.</p>										
	<p>This modification was raised 29 September 2016 and was presented by the Proposer to the STC Panel on 29 November 2017 for decision. The STC Panel unanimously approved that the change should be subject to self-governance and would better facilitate the STC Applicable Objective (e).</p> <p>The STC Panel unanimously determined that the Final Modification Report was issued to Industry for an Appeals Window of 15 Working Days and that pending no Appeals being received that CM059 is implemented no sooner than the 1 Working Days after the Appeals Window closes.</p>									
	<p><b>High Impact:</b> None</p>									
	<p><b>Medium Impact:</b> None</p>									
	<p><b>Low Impact:</b> National Grid, Scottish Power Transmission, SHE Transmission</p>									

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## Timetable

### The Code Administrator recommends the following timetable:

22 September 2016	STC Modification Proposal submitted
29 September 2016	Proposal presented to STC Modification Panel
6 October 2016	Draft legal text changes circulated to Panel
27 September 2017	Draft Initial Modification Report submitted to Panel
27 September 2017	Draft Initial Modification Report approved
28 September 2017	Industry Consultation published for 15 working days
19 October 2017	Deadline for responses
20 October 2017	Issue Draft Final Modification Report to industry and the Authority for 5 Working Days
22 November 2017	Draft Final Modification Report submitted to Panel



Any questions?

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29 November 2017	Draft Final Modification Report approved by Panel
30 November 2017	Appeals window opens (15 working days)
21 December 2017	Appeal window closes
22 December 2017	Implementation

## 1 About this document

This document contains the responses to CM059 Industry Consultation that was issued on 28 September 2017 for 15 Working Days. This Draft Final Modification Report contains the one consultation response. The Draft Final Modification Report that will be issued to the STC Panel for its determination on the 29 November STC Panel meeting.

This is the STC Final Modification Report which contains the rationale of the STC Panel in determining that CM059 should be implemented.

Information on this Modification can be found via the following link:

<https://www.nationalgrid.com/uk/electricity/codes/system-operator-transmission-owner-code/modifications/cm059-changes-section-c>

## 2 Summary

NGET as part of its Balancing Service Activity provide to OFGEM a notice as set out in their licence if an adjusting event is required for a particular financial year. In June 2015 NGET provided Ofgem with this notice proposal and requested dispute adjudication on SSE-14-0002.

SHET in a letter to OFGEM dated 7 July 2015 explained SHE Transmission's side of the dispute.

On 3rd September 2015 OFGEM advised both parties that they did not have the power to adjudicate on this dispute (STC section C Paragraph 5.9.5 to adjudicate the dispute) under this provision as Paragraph 9 of Schedule A no longer formed part of the Licence.

STC Modification Proposal CM059 was proposed by NGET and was formally submitted to the STC Committee meeting on 19 September 2016.

### 3 Responses to Industry Consultation

The Industry Consultation Report was issued on 28 September 2017 for 15 Working Days. One response was received from National Grid in support of the CM059 Modification Proposal. The full response is contained in table 1.

Table1: Response proforma

Response from	Q1: Do you believe that CM059 better facilitates the Applicable STC objectives? Please include your reasoning.	Q2: Do you support the proposed implementation approach?	Q3: Do you wish to propose any alternatives?	Q4: Do you have any other comments?
Rob Wilson, National Grid	Yes. In correcting a referencing error to do with the dispute process and the situations in which this can be used this modification better facilitates a number of the applicable objectives, particularly (b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission; and (e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	Yes	No	No

## 4 Governance

**Self-Governance - The modification** is unlikely to discriminate between different classes of STC Parties and is unlikely to have a material effect on:

- i) Existing or future electricity customers;
- ii) Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,
- iii) The operation of the National Electricity Transmission System
- iv) Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies
- v) The STC's governance procedures or the STC's modification procedures.

It is the view of the Proposer that this modification should be subject to self-governance.

### Panel View on Self-Governance

At the September 2016 STC Modification Panel, the Panel agreed that CM059 should proceed as a Self- Governance Modification.

## 5 Panel Determination – November 2017 STC Panel

The STC Panel at its November 2017 meeting unanimously determined that CM059 met the self-governance criteria and would better facilitate the STC Applicable Objective (e).

The views of the STC Panel were as follows:

### **National Grid**

National Grid is supportive of Modification Proposal CM059. The implementation of CM059 would not have any physical impact on National Grid Systems or require changes to IS systems. No additional work or monies would be required to implement the proposed change.

### **Offshore Transmission Owners (OFTOs)**

The OFTOs are supportive of Modification CM059.

### **Scottish Hydro Electric Transmission plc. (SHET)**

SHET is supportive of Modification Proposal CM059.

### **SP Transmission Limited (SPT)**

SPT is supportive of Modification Proposal CM059.

The STC Panel determined that the Final Modification Report was issued to Industry for an Appeals Window of 15 Working Days and that pending no Appeals being received that CM059 is implemented no sooner than the 1 Working Days after the Appeals Window closes.

The proposed implementation date will be **22 December 2017**.

## 6 Why Change?

The purpose of modifying the STC is to correct the removal of Paragraph 9 schedule A from the licence and replace this with the dispute process as exists in Section H of the STC.

This modification proposal aims to ensure that the correct referral process is in place for all STC parties.

The proposed change is simply to the referencing between section C and H of the STC, H being the Dispute process.

## 7 Impacts & Other Considerations

At the October 2016 STC Modifications Panel Meeting, the Ofgem representative asked whether the proposed changes would impact all Transmission Owners, including Offshore Transmission Owners. Subsequent to the meeting, the Proposer has clarified that the change would impact all Transmission Owners, in line with the definition of “Transmission Owner” within the STC (“an Onshore Transmission Owner or an Offshore Transmission Owner”). For the avoidance of doubt, an “Onshore Transmission Owner” is defined as “Scottish Hydro-Electric Transmission Limited or SP Transmission Limited or such other person in relation to whose Transmission Licence the Standard Conditions in Section D (transmission owner standard conditions) have been given effect.

### STC Parties’ Assessments

#### National Grid

National Grid is supportive of Modification Proposal CM059 and has completed an Assessment on the Proposed Modification.

The implementation of CM059 would not have any physical impact on National Grid Systems or require changes to IS systems. No additional work or monies would be required to implement the proposed change.

#### Offshore Transmission Owners (OFTOs)

The OFTOs are supportive of Modification Proposal CM059 and have completed an Assessment on the Proposed Modification.

The implementation of CM059 would not have any physical impact on OFTO Systems or require changes to IS systems. No additional work or monies would be required to implement the proposed change.

#### Scottish Hydro Electric Transmission plc (SHET)

SHET is supportive of Modification Proposal CM059 and have completed an Assessment on the Proposed Modification.

The implementation of CM059 would not have any physical impact on SHET Systems or require changes to IS systems. No additional work or monies would be required to implement the proposed change.

#### **SP Transmission Limited (SPT)**

SPT is supportive of Modification Proposal CM059 and have completed an Assessment on the Proposed Modification.

The implementation of CM059 would not have any physical impact on SPT Systems or require changes to IS systems. No additional work or monies would be required to implement the proposed change.

#### **Impact on STC/STCPs**

The proposed modification will require changes to

Section C: Transmission Services and Operations, with the only change being Part 2 paragraph 5.9.5.

Section H: Dispute Resolution, with the only change being an addition to the 'Referrals to the Authority' list within 4.3

#### **Impact on Greenhouse Gas emissions**

The proposed modification will not have a material impact on Greenhouse Gas Emissions.

## **8 Clarification on proposed changes**

The CM059 change proposal was raised at the October 2016 STC Panel and is intended to correct referencing within the STC to ensure that the dispute resolution process as set out in section H of the code can be used in all the situations where this is intended. The driver for this was a potential dispute due to a delayed outage which it was found could not make use of section H. CM059 therefore proposes minor changes to Section C: Transmission Services and Operations and Section H: Disputes.

The Panel agreed in October 2016 that the modification report should be developed without needing a workgroup and that it should proceed through a self-governance route.

Legal text was shared with the Panel and a number of comments and suggested amendments were received by July 2017. These were agreed to be non-material and corrections were made in the final version of the legal text which is included in this report.

## 9 Relevant Objectives

### Impact of the modification on the STC Objectives:

Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	None
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	None
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	None
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees	None
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	Positive
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	None
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	None



The Proposer believes that this change will better facilitate relevant objective (e), specifically efficiency in the implementation of the arrangements described in the STC, by allowing the existing dispute process set out in the STC to function in the manner in which it was intended.

## 10 Implementation

It is proposed that CM059 STC Modification is implemented no sooner than the 1 Working Day after the appeals window closes providing no objections have been raised.

The proposed implementation date will be **22 December 2017**.

## 11 Legal Text

The changes proposers are to:

Section C (Transmission Services and Operations) paragraph 5.9.5 which refers to the costs incurred in outage changes amended to refer in the case of disputes to section H rather than the Licence

“in relation to an Outage Change (as defined in the licence), the net costs reasonably incurred by the Transmission Owner as a result of the Outage Change as declared to NGET and which are agreed by NGET and the Transmission Owner or, where there is a failure to agree, ~~as the Authority determines pursuant to paragraph 9 of Schedule A to the Transmission Owner's Licence~~ as determined by the Authority following referral to the Authority as a Dispute by any of the relevant Parties in accordance with Section H, paragraph 4.1.”

Section H (Disputes) paragraph 4.3 amended to include outage changes in the list of issues that can constitute a Dispute referable to the Authority under the Code

In addition to those matters falling under paragraph 4.4, the following matters shall constitute a Dispute referable to the Authority under the Code:

- 4.3.1 a failure to agree pursuant to Section A, paragraph 4.4;
- 4.3.2 a failure to agree pursuant to Section B, sub-paragraph 3.2.5 or any other dispute in relation to the scope, content or performance of the Party Entry Processes;
- 4.3.3 a failure to agree pursuant to Section B, sub-paragraph 5.1.6 or any other dispute in relation to the scope, content or performance of the Decommissioning Actions;
- 4.3.4 a failure to agree pursuant to Section B, sub-paragraph 7.3.4;
- 4.3.5 a failure to agree an amendment to the form of the Services Capability Specification pursuant to Section C, Part One, paragraphs 3.2 or 3.3;
- 4.3.6 a dispute in relation to the reasonableness of a request for further information by NGET pursuant to Section C, Part One, paragraph 3.4;
- 4.3.7 a dispute in relation to the net costs reasonably incurred by the Transmission Owner as a result of an Outage Change (as defined in the licence);
- 4.3.8 a dispute in relation to the provision of, or failure to provide, training pursuant to Section C, Part Three, paragraph 7.3;

- 4.3.9 a failure to agree a National Electricity Transmission Performance Report Timetable or any part thereof pursuant to Section C, Part Three, paragraph 8.3;
- 4.3.10 a failure to agree amendments to draft text of a National Electricity Transmission System Performance Report pursuant to Section C, Part Three, paragraph 8.5;
- 4.3.11 a failure to agree a SYS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 4.1.2;
- 4.3.12 a failure to agree amendments to draft text of a Seven Year Statement pursuant to Section D, Part One, sub-paragraph 4.1.4;
- 4.3.13 a failure to agree an ODIS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 5.1.2;
- 4.3.14 a failure to agree amendments to the draft text of an Offshore Development Information Statement pursuant to Section D, Part One, sub-paragraph 5.1.4;
- 4.3.15 a dispute pursuant to Section E, paragraph 5.1;
- 4.3.16 a failure to agree under Section G, sub-paragraphs 6.1.1 or 6.1.2; and
- 4.3.17 a dispute as to whether a matter falling under paragraph 4.4 materially and adversely affects a Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity in the National Electricity Transmission System Operator Area for the purpose of determining such Dispute Party's entitlement to refer a matter to the Authority under paragraph 4.4.

The full sections, including the proposer legal text are included in Appendix 1 for reference.

## Appendix 1: Full Legal Text Proposed changes

. For ease of reference, new text is depicted in blue font and deleted text in red strikethrough.

### SECTION C: TRANSMISSION SERVICES AND OPERATIONS

#### PART ONE: PROVISION OF TRANSMISSION SERVICES

##### 1. INTRODUCTION

1.1 This Section C, Part One deals with the provision of Transmission Services by Transmission Owners to NGET and the obligations of NGET in relation to its operation of the National Electricity Transmission System, and sets out:

- 1.1.1 the process for each Transmission Owner to specify the technical limits that normally apply to its Transmission Services in a Services Capability Specification;
- 1.1.2 the process for developing and implementing Services Restoration Proposals to restore Transmission Services in the event of any unplanned reduction in the technical limits actually applicable to the provision of Transmission Services from time to time; and
- 1.1.3 provisions dealing with the co-ordination and direction by NGET of the flow of electricity onto and over the National Electricity Transmission System in accordance with technical limits and Licence Standards.

## 2. TRANSMISSION SERVICES

- 2.1 In accordance with the provisions of this Code, each Transmission Owner shall provide services to NGET consisting of:
- 2.1.1 making available those parts of its Transmission System which are intended for the purposes of conveying, or affecting the flow of, electricity, so that such parts are capable of doing so and are fit for those purposes;
  - 2.1.2 a means of enabling NGET to direct the configuration of those parts of that Transmission Owner's Transmission System made available to it and, consistent with such means, giving effect to any such direction from time to time; and
  - 2.1.3 a means of enabling NGET to obtain information in relation to that Transmission Owner's Transmission System which information is needed by NGET to enable it to co-ordinate and direct the flow of electricity onto and over the National Electricity Transmission System and, consistent with such means, providing such information to NGET,
- (together here referred to as "**Transmission Services**").
- 2.2. Each Transmission Owner agrees with NGET to provide Transmission Services and to plan, develop, operate and maintain its Transmission System in accordance with its Transmission Licence and this Code, subject to any Transmission Derogations from time to time. In the case of Construction Projects that involved OTSDUW, it is acknowledged that a User may have undertaken some or all of the original planning and/or development of the Transmission System.
- 2.3 NGET shall have the right to make use of the Transmission Services provided to it under this Code in pursuance of its activities and the discharge of its obligations under its Transmission Licence and the Act and only in pursuance of such activities or discharge of such obligations.

## 3. SERVICES CAPABILITY SPECIFICATION

- 3.1 Each Transmission Owner shall separately have and maintain, at all times, a specification of its Transmission Services (here referred to as "**Services Capability Specification**") and shall:
- 3.1.1 maintain its Services Capability Specification (in accordance with Section D, Part One, sub-paragraph 2.10.2) by including, without limitation, information describing the parameters and levels within and to which its Transmission Services have been planned to be provided, or such higher levels up to which its Transmission Services are normally capable of being so provided, to NGET: such information to include and identify the technical limits that would normally apply to the provision of its Transmission Services (such technical limits as identified in the Service Capability Specification here referred to as the "**Normal Capability Limits**" applicable to those Transmission Services); and
  - 3.1.2 submit a copy of its Services Capability Specification to NGET and immediately submit to NGET copies of any amendments made to it under paragraphs 3.2 or 3.3.
- 3.2 Each Transmission Owner shall keep its Services Capability Specification under review at all times and may amend the content of its Services Capability Specification, including amendments to any Normal Capability Limits:
- 3.2.1 in the case of the correction of typographical errors only, at any time by submitting copies of such amendments to NGET; and
  - 3.2.2 in all other cases, pursuant to Section D, Part One, sub-paragraph 2.10.2.

- 3.3 Changes to the form of a Transmission Owner's Services Capability Specification may be proposed:
- 3.3.1 In the case of an Onshore Transmission Owner's Services Capability Specification:
- 3.3.1.1 by the Transmission Owner at any time, any such change to be agreed between the Transmission Owner and NGET (any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1); or
- 3.3.1.2 by NGET at any time, any such change to be agreed between the Transmission Owner and NGET. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 3.3.2 In the case of an Offshore Transmission Owner's Services Capability Specification, changes to its form may be proposed by the Transmission Owner or NGET using the agreed procedures for the management of Offshore Transmission Owners' Services Capability Specifications.
- 3.4 In addition to the obligation to submit a copy of its Services Capability Specification and copies of any amendments to NGET under this paragraph 3, a Transmission Owner shall provide to NGET such other information as may reasonably be requested by NGET from time to time in order to support the full and effective enjoyment of the rights of NGET pursuant to paragraph 2. Any dispute as to the reasonableness of such request shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 4. TRANSMISSION SERVICES LIMITS**
- 4.1 Each Transmission Owner shall provide Transmission Services to NGET, pursuant to paragraph 2, in accordance with its Services Capability Specification (including to any Normal Capability Limits) except, and only to the extent that:
- 4.1.1 the provision of such Transmission Services is reduced due to an Outage in accordance with Section C, Part Two;
- 4.1.2 its Transmission Services are not, other than by reason of an Outage, physically capable of being provided or are not capable, for immediate safety reasons or pursuant to environmental obligations, of being provided in accordance with the Services Capability Specification (referred to as a "**Services Reduction**"); or
- 4.1.3 the Transmission Owner has notified NGET of technical limits applying in excess of Normal Capability Limits pursuant to paragraph 4.14.
- 4.2 Each Transmission Owner shall at all times act in accordance with Good Industry Practice in providing Transmission Services to NGET.
- 4.3 The technical limits to which NGET has been notified that Transmission Services are actually capable of being provided from time to time (being the Normal Capability Limits or such other technical limits as apply due to an Outage, a Services Reduction or any higher limits notified under paragraph 4.14) shall be referred to as the "**Operational Capability Limits**" applicable to those Transmission Services.
- 4.4 A Transmission Owner shall notify NGET immediately in the event that it becomes aware at any time that the relevant Operational Capability Limits have been exceeded by NGET in accordance with the agreed procedures for the operation of that Transmission Owner's Transmission System..
- 4.5 Each Transmission Owner shall monitor, in accordance with the agreed procedures for the operation of that Transmission Owner's Transmission System and Good Industry Practice, the provision of its Transmission Services and notify NGET (except in such circumstances as may from time to time be agreed between the Transmission Owner

and NGET), as a matter of urgency, as soon as such Transmission Owner becomes aware:

4.5.1 of a Services Reduction (including notifying NGET of the revised technical limits that apply to such Transmission Services due to the Services Reduction); or

4.5.2 of a risk, materially beyond the normal level of risk, of an imminent Services Reduction (here referred to as a "**Services Reduction Risk**").

4.5A As a part of, or otherwise at the same time as, notice to NGET under paragraph 4.5, an Offshore Transmission Owner shall provide NGET with all of the necessary information required in order to fulfil its reporting obligations under Article 10.1c of Commission Regulation (EU) No 543/2013 within the required timescales (i.e. as soon as possible but no later than one hour after the change in actual availability) in accordance with STCP 02-1 (Alarm & Event Management).

4.6 As a part of, or otherwise at the same time as, notice to NGET under paragraph 4.5, unless it is not reasonably practicable to do so (in which case a Transmission Owner shall do so as soon as reasonably practicable thereafter), a Transmission Owner shall notify NGET of:

4.6.1 in the case of a Services Reduction Risk, and where so requested by NGET, relevant data or information for the relevant Transmission Services including the technical limits that would apply as a consequence of the relevant Services Reduction if it were to occur;

4.6.2 the reasons for any Services Reduction (or, where relevant, a Services Reduction Risk) including, without limitation, information in relation to any Event which caused or contributed to, or which may cause or contribute to, the Services Reduction or Services Reduction Risk;

4.6.3 additional relevant information including the likely duration of any Services Reduction (or, where relevant, Services Reduction Risk); and

4.6.4 unless otherwise agreed with NGET, such Transmission Owner's proposal, in reasonable but not excessive detail, (referred to here as a "**Services Restoration Proposal**") for, as appropriate:

4.6.4.1 any interim works or other actions which are able to be undertaken by such Transmission Owner to minimise the effect of the Services Reduction or Services Reduction Risk and including, where relevant, any revised Operational Capability Limits that would apply during the period of such Services Reduction or Services Reduction Risk;

4.6.4.2 restoring the Transmission Services such that they are provided in accordance with their Services Capability Specification (and to their Normal Capability Limits); and

4.6.4.3 otherwise removing, mitigating or dealing with a Services Reduction Risk, including, in the case of sub-paragraphs 4.6.4.2 and 4.6.4.3, where necessary and appropriate, by proposing to amend the content of its Services Capability Specification (including any Normal Capability Limits) pursuant to Section D, Part One, paragraph 2.10.2.

4.7 Nothing in sub-paragraph 4.6.4 shall prevent the Parties from agreeing in advance Services Restoration Proposals to apply generally to particular types of Services Reductions or Services Reduction Risks. If such a Services Restoration Proposal is proposed in advance by a Party, any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

4.8 On or as soon as reasonably practicable after notification by the Transmission Owner of a Services Reduction (or, where relevant, a Services Reduction Risk) pursuant to

paragraph 4.5, NGET and the relevant Transmission Owner shall discuss the Services Reduction (or, where relevant, Services Reduction Risk) and, in particular, agree any Services Restoration Proposal(s) notified under sub-paragraph 4.6.4 or agree that any Services Restoration Proposal(s) agreed in advance under paragraph 4.7 apply. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

- 4.9 A Party which has agreed a Services Restoration Proposal pursuant to paragraph 4.8 may at any time notify (either verbally or in writing) each other Party involved in such Services Restoration Proposal of any modification which it considers is required to be made to such Services Restoration Proposal in order to deal more appropriately with the Services Reduction or Services Reduction Risk. NGET and the relevant Transmission Owner shall discuss and agree any such modification. Any failure to agree a proposed modification shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 4.10 A Transmission Owner shall give effect to any Services Restoration Proposal agreed with NGET pursuant to paragraph 4.8 (as modified from time to time pursuant to paragraph 4.9).
- 4.11 If the Parties are unable to reach agreement on any Services Restoration Proposal or any proposed modification to such Services Restoration Proposal, a Transmission Owner shall nevertheless give effect to its Services Restoration Proposal (including any modification which such Transmission Owner, in its discretion, considers is required), subject to any subsequent determination of a relevant Dispute referred to the Authority pursuant to paragraphs 4.7, 4.8 or 4.9.
- 4.12 Each Transmission Owner shall take reasonable and appropriate preparatory steps, including, without limitation, having appropriate replacement Plant and Apparatus available, to minimise the duration or effect of Services Reductions and Services Reduction Risks and shall:
- 4.12.1 notify NGET of such steps from time to time or when otherwise reasonably requested by NGET; and
- 4.12.2 comply with any reasonable request from NGET to take or modify preparatory steps as specified in such request.
- 4.13 Any dispute in relation to the adequacy of the preparatory steps taken by a Transmission Owner pursuant to paragraph 4.12 or the reasonableness of a request by NGET shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1 (in the event of a dispute under this paragraph 4.13, a Transmission Owner may take such preparatory steps as it considers, in its discretion, are reasonable and appropriate, subject to the subsequent determination of any Dispute referred to the Authority pursuant to this paragraph 4.13).
- 4.14 For the avoidance of doubt, nothing in the Code shall prevent a Transmission Owner, in its discretion, from notifying NGET (including, without limitation, in response to a request from NGET) that technical limits temporarily apply in respect of specified Transmission Services in excess of their Normal Capability Limits. In any such event the Transmission Owner shall at the same time also notify NGET of any conditions that apply to the use of such Transmission Services at technical limits above their Normal Capability Limits.

## **5. CONFIGURATION ON NGET'S DIRECTIONS**

- 5.1 A Transmission Owner may only configure such parts of its Transmission System as are made available pursuant to sub-paragraph 2.1.1 of this Section C, Part One, in accordance with directions given by NGET, except:
- 5.1.1 where otherwise agreed with NGET; or

- 5.1.2 for safety purposes or pursuant to environmental obligations in accordance with Section G, paragraph 2.
- 5.2 Notwithstanding sub-paragraph 5.1.1, but subject at all times to Section G, paragraph 2, each Transmission Owner shall comply with any reasonable direction by NGET to configure any part of its Transmission System.
- 5.3 Any direction from NGET to a Transmission Owner pursuant to paragraphs 5.1 and 5.2 shall be in the form agreed with such Transmission Owner from time to time.

#### 5.4 Operational Switching

- 5.4.1 Notwithstanding that a Transmission Owner is not a party to the CUSC and is not thereby required to comply with the Grid Code, a Transmission Owner shall comply with section OC7.6 of the Grid Code (as amended from time to time) and any Local Switching Procedure agreed pursuant to that section.
- 5.4.2 NGET shall comply with, and shall procure that a User shall comply with section OC7.6 of the Grid Code and any Local Switching Procedure agreed pursuant to that section where and to the extent that such section applies to NGET and the User.

### 6. NGET OBLIGATIONS

- 6.1 In co-ordinating and directing the flow of electricity onto and over the National Electricity Transmission System, NGET shall:
  - 6.1.1 take all reasonably practicable steps to determine, and shall ensure, that it does so in accordance with Licence Standards; and
  - 6.1.2 in complying with Licence Standards, ensure that neither:
    - 6.1.2.1 Operational Capability Limits; nor
    - 6.1.2.2 such technical limits or other conditions as NGET becomes aware are necessary and safe in accordance with Good Industry Practice (including, without limitation, any conditions notified to it pursuant to paragraph 4.14),are exceeded or would be exceeded on the occurrence of a Secured Event.
- 6.2 NGET shall not be in breach of paragraph 6.1 where an Unsecured Event causes or would cause Operational Capability Limits or other relevant limits to be exceeded.
- 6.3 In the event that NGET shall at any time become aware that Operational Capability Limits or, where relevant, other conditions notified to it pursuant to paragraph 4.14 are being or have been exceeded, then NGET shall, in accordance with Licence Standards and in accordance with the agreed procedures for the operation of that Transmission Owner's Transmission System, where applicable, immediately:
  - 6.3.1 direct or configure the relevant Transmission System or take such other steps as are appropriate so that such Operational Capability Limits or other conditions are no longer being exceeded;
  - 6.3.2 inform the relevant Transmission Owner including, without limitation, by providing (in reasonable but not excessive detail) details of and reasons for the Operational Capability Limits or other conditions being exceeded; and
  - 6.3.3 without prejudice to any other rights and remedies arising under this Code, identify and carry out (in consultation with the Transmission Owner where appropriate) such actions as are reasonably necessary and appropriate to ensure that such event shall not re-occur.

- 6.4 NGET shall, and in accordance with the agreed procedures for the operation of that Transmission Owner's Transmission System (except to the extent otherwise agreed with the relevant Transmission Owner) notify a Transmission Owner, as a matter of urgency, if NGET becomes aware (otherwise than from such Transmission Owner) of any Event or circumstance which is or is likely to materially affect such Transmission Owner's provision of Transmission Services in accordance with its Services Capability Specification, including of any current or likely Services Reduction or Services Reduction Risk.

## **PART TWO: TRANSMISSION OUTAGE PLANNING**

### **1. INTRODUCTION**

- 1.1 This Section C, Part Two deals with the placement and implementation of Outages on the National Electricity Transmission System, and sets out the processes for:
- 1.1.1 the co-ordinated development of Outage Proposals by each Transmission Owner;
  - 1.1.2 NGET to prepare Outage Plans for the National Electricity Transmission System taking into account each Transmission Owner's Outage Proposals;
  - 1.1.3 the real-time implementation of each Outage through a pre-agreed Outage Implementation Process; and
  - 1.1.4 provision for the reinstatement of Transmission Services which are the subject of an Outage, where so directed by NGET.

### **2. OUTAGE PLAN**

- 2.1 In accordance with the provisions of this Section C, Part Two, NGET shall develop and maintain a separate Outage Plan of the Outages which are planned to occur on the National Electricity Transmission System in respect of each current and each of the following six Financial Years.
- 2.2 NGET shall update each Outage Plan from time to time to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on the National Electricity Transmission System during the course of the relevant Financial Years. These may include Outages proposed by each Transmission Owner pursuant to this Section C, Part Two and any other Outages which NGET plans in respect of the National Electricity Transmission System.
- 2.3 NGET shall ensure that, to the extent that it is reasonable and appropriate to do so, each Transmission Owner is provided with the most up-to-date version of those parts of each Outage Plan as contain or relate to Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System. In each case, NGET shall identify those changes made to an Outage Plan since the last version provided to the relevant Transmission Owner.
- 2.4 In the course of developing its Outage Plans, NGET shall, to the extent that it is reasonable and practicable to do so:
- 2.4.1 discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages proposed by such other Party and including, without limitation, the data in respect of User Outages set out in Schedule 3; and
  - 2.4.2 take into account each Outage Proposal in the preparation of its Outage Plan for the relevant Financial Year (any dispute in relation to the manner in which matters contained in an Outage Proposal are included or not included in an Outage Plan shall be referable to the Authority as a Dispute pursuant to Section H, paragraph 4.1).



### **3. OUTAGE PROPOSALS**

- 3.1 Each Transmission Owner shall co-operate and assist NGET in developing NGET's Outage Plans, including by:
  - 3.1.1 developing and maintaining Outage Proposals, in accordance with paragraph 3.2, with the objective of providing NGET with a proposed placement of Outages for each Financial Year that facilitates as co-ordinated and economical placement of Outages on the National Electricity Transmission System as is reasonably foreseeable and practicable, given the information available to such Transmission Owner; and
  - 3.1.2 providing NGET with the most up-to-date version of each of its Outage Proposals up until the date on which the final version of each such Outage Proposal is submitted to NGET pursuant to paragraph 3.7.
- 3.2 Each Transmission Owner shall develop and maintain, in consultation with NGET, a separate Outage Proposal of the Outages which are planned to occur on the Transmission Owner's Transmission System in respect of the current and each of the following six Financial Years.
- 3.3 Each Transmission Owner shall update each Outage Proposal from time to time, up until the final version of its Outage Proposal is submitted under paragraph 3.7, to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on its Transmission System during the course of the relevant Financial Year.
- 3.4 Each Transmission Owner shall, in preparing its Outage Proposal in respect of each Financial Year, and NGET shall, in planning Outages on its Transmission System in respect of each Financial Year, discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages of such other Party.
- 3.5 Each Transmission Owner shall develop its Outage Proposals taking into account, to the extent that it is reasonable and practicable to do so, the activities and reasonable requests of each other Party and the information provided to it under this Code.
- 3.6 Each Transmission Owner shall, at the request of NGET, take all reasonably practicable steps to assist NGET in co-ordinating and facilitating User Outages and Outages of each other Party.
- 3.7 On or before Week 28, each Transmission Owner shall submit to NGET the final version of such Transmission Owner's Outage Proposal for the following Financial Year and Key Outage Proposals for Year 2, and shall ensure that such Outage Proposal is as full and complete as reasonably practicable and contains, without limitation:
  - 3.7.1 the proposed start and finish date(s) and times of each Outage;
  - 3.7.2 details of the technical limits which the Transmission Owner anticipates will apply to its Transmission Services whilst they are the subject of the Outage (where not otherwise specified, Transmission Services on Outage shall be deemed to be wholly withdrawn);
  - 3.7.3 if necessary, any information about the associated configuration of any parts of the National Electricity Transmission System and associated arrangements that may be required in relation to the Outage;
  - 3.7.4 information to assist NGET with the efficient sequencing of Outages, including the relationship, if any, between each Outage and any other proposed Outages;
  - 3.7.5 an indication of the importance which the Transmission Owner affixes to each Outage;

- 3.7.6 details of the Transmission Owner's flexibility margins in respect of each Outage (for example, alternative dates upon which they could be taken, or the potential for movement of other Outage dates or times);
- 3.7.7 the Emergency Return to Service Time for those parts of the Transmission System associated with each Outage (including, where appropriate, a statement of the steps that would be taken to restore the provision of the relevant associated Transmission Services or such alternative steps as NGET and the relevant Transmission Owner may agree which are intended to give a similar or substitutive effect and, where such steps do not restore such Transmission Services to their Normal Capability Limits, the limits which would otherwise apply),

(the matters in sub-paragraphs 3.7.5, 3.7.6 and 3.7.7 being here referred to together as "**Flexibility Parameters**").

- 3.8 Following the submission of its final Outage Proposal pursuant to paragraph 3.7, a Transmission Owner shall not make or submit any further change(s) to its Outage Proposal for the following Financial Year. Key Outage Proposals for Year 2 may be revised at any time until these outages become outages for Year 1, and any further changes to the Outage Plan for such Financial Years shall be made in accordance with paragraph 5.

#### **4. NGET ISSUE OF THE OUTAGE PLAN**

- 4.1 On or before Week 34, NGET shall issue to each Transmission Owner such parts of the Outage Plan for the following Financial Years (being the same Outage Plan from which NGET will circulate relevant information to Users in accordance with Operating Code No.2) as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.2 NGET may involve each Transmission Owner, and each Transmission Owner shall participate, as requested by NGET, in any discussions or correspondence with Users and other third parties from time to time relating to any proposed changes to the Outage Plan in respect of Outages of, or any other Outages which are likely to materially affect, such Transmission Owner's Transmission System.
- 4.3 On or before Week 49, NGET shall ensure that the Outage Plan for the following two Financial Years takes into account any information or feedback received from Transmission Owners and from Users and otherwise, and shall revise and re-issue to each Transmission Owner such parts of the Outage Plan as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.4 For the avoidance of doubt, any involvement or discussions of Transmission Owners with NGET or Users or other third parties under this paragraph 4 shall be in addition to each Transmission Owner's right to request change(s) to the Outage Plan for the following Financial Years under paragraph 5.

#### **5. CHANGE PROCESS FOLLOWING ISSUE OF FINAL VERSION OF OUTAGE PROPOSAL**

- 5.1 This paragraph 5 shall only apply to an Outage Plan from the date on which Transmission Owners are required to have submitted to NGET their final Outage Proposals for the following Financial Year and Key Outage Proposals for Year 2 pursuant to paragraph 3.7.
- 5.2 Each Party shall keep the Outage Plan under review at all times (including up to the end of an Outage) and as soon as a Party becomes aware that a change is required to such

Outage Plan, including any requirement for a new Outage or changes to the scheduled dates or times for, or cancellation of, an existing Outage, that Party shall:

5.2.1 if it is a Transmission Owner, request a change to the Outage Plan to NGET including with such request a brief description of the reason(s) for the change; or

5.2.2 if it is NGET, notify each Transmission Owner that NGET itself requests or another Transmission Owner has requested (where it has received a request under sub-paragraph 5.2.1) a change to the Outage Plan to the extent that it considers that such change affects Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System, with a brief description of the reason(s) for the change.

5.3 A request made or notice provided pursuant to paragraph 5.2 may be made or provided verbally where it is necessary and expedient to do so, provided that such request or notice is confirmed in writing as soon as reasonably practicable by the Party making it.

5.4 Any request for a new Outage made pursuant to paragraph 5.2 shall include, to the extent reasonably practicable, the matters set out in paragraph 3.7.

5.5 The obligation set out in paragraph 5.2 shall apply to the review by NGET of the Outage Plan as a whole and by each Transmission Owners only in respect of such parts of the Outage Plan as have been disclosed to it under paragraph 4.3.

5.6 The Parties shall at all times up to the end of an Outage also keep the information provided to each other in connection with each Outage in the Outage Plan under review and shall promptly notify each other Party of any changes in circumstances requiring changes to such information.

5.7 Following a request for a change to an Outage Plan made pursuant to paragraph 5.2, the Party requesting such change and any Transmission Owners which receive notification pursuant to sub-paragraph 5.2.2 shall agree how the change may be accommodated. Any failure to agree shall be referable by any of the relevant Parties to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

5.8 NGET shall promptly update the Outage Plan to adopt any change agreed pursuant to paragraph 5.7 and in the event of a failure to agree NGET may, at its discretion, give effect to a change, including by updating the Outage Plan to adopt such change, subject to any subsequent determination of a Dispute referred to the Authority pursuant to paragraph 5.7.

5.9 On and from the date on which NGET re-issues the Outage Plan for the following two Financial Years pursuant to paragraph 4.3, it shall maintain for 5 years a register which records in relation to any request for a change to such Outage Plan which is made after that date in accordance with this paragraph 5 (including any cancellation of an Outage):

5.9.1 a description of the change, including (where appropriate) the date(s) and times specified for an Outage in the Outage Plan at the time of the change and as changed;

5.9.2 the identity of the Party which proposed or requested the change; and

5.9.3 a brief description of the reason for the change;

5.9.4 a indicator of whether NGET made such a change to the Outage Plan and a brief description of the reasons for the decisions including an indication of any withdrawal of a request for an outage change by the party proposing or requesting the change; and

5.9.5 in relation to an Outage Change (as defined in the licence), the net costs reasonably incurred by the Transmission Owner as a result of the Outage

Change as declared to NGET and which are agreed by NGET and the Transmission Owner or, where there is a failure to agree, ~~as the Authority determines pursuant to paragraph 9 of Schedule A to the Transmission Owner's Licence~~ as determined by the Authority following referral to the Authority as a Dispute by any of the relevant Parties in accordance with Section H, paragraph 4.1.

5.10 NGET shall make the register in paragraph 5.9 available to each Transmission Owner to the extent that it contains information in respect of Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.

## **6. IMPLEMENTATION OF OUTAGES**

6.1 NGET, and each Transmission Owner in relation to whose Transmission System an Outage contained in the Outage Plan is due to occur, shall jointly prepare for such Outage including by agreeing over a reasonably prudent period beforehand the process required (and the associated configuration of the National Electricity Transmission System that will be required) to be undertaken by each Party in order to implement the Outage in accordance with the Outage Plan (the "**Outage Implementation Process**"). Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

6.2 In the event that NGET and a Transmission Owner shall at any time be unable to agree the Outage Implementation Process to apply in respect of an Outage, the Outage Implementation Process shall be as directed by NGET subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.1.

6.3 The Transmission Owner on whose Transmission System an Outage is due to occur or is occurring shall notify NGET of the extent and duration of any change(s) in Operational Capability Limits that will apply to such Transmission Services as are affected by such Outage, in each case:

6.3.1 at the same time as the Transmission Owner makes any request to NGET pursuant to paragraph 5.2 which would have the effect of varying a notification already given under this paragraph 6.3; and

6.3.2 immediately following receipt of a direction from NGET for the discontinuance of such Outage pursuant to paragraph 7.

6.4 NGET, and the Transmission Owner in relation to whose Transmission System the Outage will occur or is occurring (as appropriate), shall each comply with and undertake such actions as are required of them under and in accordance with the Outage Implementation Process.

6.5 Where a Party becomes aware of any matter which may affect its ability to meet its obligations pursuant to an Outage Implementation Process, it shall promptly notify the other Party and both shall agree a change to such Outage Implementation Process. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

6.6 In the event that two Parties shall at any time be unable to agree a change to an Outage Implementation Process under paragraph 6.5, such Outage Implementation Process shall remain unchanged, subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.5.

## **7. EMERGENCY RETURN TO SERVICE DURING AN OUTAGE**

7.1 NGET may at any time direct that a Transmission Owner discontinue an Outage within the relevant Emergency Return to Service Time, whether or not expiry of the planned

period of the Outage is otherwise imminent, by so notifying the relevant Transmission Owner, provided that:

7.1.1 NGET shall consult with such Transmission Owner before issuing any such direction (any dispute in relation to a direction made by NGET pursuant to this paragraph 7.1 shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1); and

7.1.2 pending the subsequent resolution of any Dispute referred to the Authority under sub-paragraph 7.1.1, the relevant Transmission Owner shall, if NGET so requests, take the steps proposed in relation to such Outage pursuant to sub-paragraph 3.7.7 of this Section C, Part Two (or as otherwise agreed with NGET) to restore the provision of Transmission Services.

7.2 A direction notified pursuant to paragraph 7.1 may be notified verbally where it is necessary and expedient to do so, provided that NGET confirms such direction in writing as soon as reasonably practicable.

## **PART THREE: OTHER**

### **1. INTRODUCTION**

1.1 This Section C, Part Three deals with:

1.1.1 the Testing of each Transmission Owner's Transmission System and arrangements between the Parties to facilitate the testing and commissioning of User Equipment;

1.1.2 Transmission Owners entering into Interface Agreements with Users in relation to Connection Sites and New Connection Sites; and

1.1.3 other operational matters including Event Reporting and Joint Investigations, Black Start, and the De-energisation of User Equipment.

### **2. TESTING TRANSMISSION OWNER'S TRANSMISSION SYSTEMS**

#### **2.1 Testing**

2.1.1 Where reasonably requested by another Party, each Party shall to the extent that it is reasonably practicable for it to carry out Tests on its Transmission System (and in the case of NGET, the National Electricity Transmission System) and shall co-operate with the carrying out of Tests by such other Party on that Party's Transmission System (and where such other Party is NGET, the National Electricity Transmission System).

2.1.2 Where reasonably requested by NGET, a Transmission Owner shall provide access to its Test results and maintenance records in relation to any of its Plant or Apparatus located on Users' Sites.

#### **2.2 Commissioning and on-load testing of User Equipment**

2.2.1 A Transmission Owner shall, where requested by NGET, assist with the commissioning and on-load testing of a User Equipment or equipment for which a User is responsible and NGET shall pay Reasonable Charges to the Transmission Owner in respect of any assistance so provided.

### **3. REQUIREMENT TO ENTER INTO INTERFACE AGREEMENT**

3.1 In relation to Connection Sites and New Connection Sites in Scotland and Offshore, each Transmission Owner to whose Transmission System such Connection Site or New Connection Site is or will be connected shall, and NGET shall procure that each relevant User shall, enter into an Interface Agreement in a form to be agreed between such

Transmission Owner and User but based substantially on the form set out in Exhibit O, Part B to the CUSC where such Interface Agreement(s) is/are required.

3.2 In relation to Transmission Interface Sites and New Transmission Interface Sites, each Transmission Owner, or NGET where applicable, to whose Transmission System such Transmission Interface Site is or will be connected (the “**Transmission Interface Site Parties**”) shall, enter into a Transmission Interface Agreement.

3.3 Each Transmission Interface Agreement shall be in a form agreed between such Transmission Interface Site Parties but based substantially on the form set out in Schedule Fifteen and as drafted in the first instance by the relevant Offshore Transmission Owner.

3.4 In relation to Embedded Transmission Interface Sites and New Embedded Transmission Interface Sites, each Offshore Transmission Owner shall

3.4.1 where required by NGET in order that NGET can comply with its obligations under the Embedded Transmission Bilateral Agreement, enter into an Embedded Transmission Interface Agreement with the relevant Embedded Transmission Counterparty; and

3.4.2 otherwise provide such information, assistance and cooperation as NGET shall require to enable it to identify and agree any requirements to be covered in the Embedded Transmission Bilateral Agreement with the Embedded Transmission Counterparty.

Where the Offshore Transmission Owner wishes the Embedded Transmission Counterparty to enter into an Embedded Transmission Interface Agreement NGET shall make such request of the Embedded Transmission Counterparty but shall not have any obligation to the Offshore Transmission Owner to procure the same.

3.5 A Transmission Owner shall notify NGET as soon as reasonably practicable after it has concluded

3.5.1 a binding Interface Agreement with a User; or

3.5.2 a Transmission Interface Agreement with a Transmission Interface Site Party, where NGET is not party to the applicable Transmission Interface Agreement.

3.5.3 an Embedded Transmission Interface Agreement with a Distribution Network Operator.

3.6 In the case of New Connection Sites and New Transmission Interface Sites that are the subject of an OTSDUW Build Application, the Interface Agreements referred to in paragraphs 3.1 and 3.2 shall be entered into 6 months prior to the proposed OTSUA Transfer Time, or such other dates as, in the case of an Interface Agreement, the Transmission Owner and the User and, in the case of a Transmission Interface Agreement the Transmission Owner and other Transmission Owner or NGET, shall agree and in any event by the OTSUA Transfer Time.

#### **4. EVENT REPORTING AND JOINT INVESTIGATIONS**

- 4.1. Notification of Events, Significant Incidents and Possible Relevant Interruptions by Transmission Owners
- 4.1.1 Each Transmission Owner shall, as soon as it becomes aware of any Event on its Transmission System which has had or may have an Operational Effect on the National Electricity Transmission System or a User System, notify NGET (either verbally or in writing), as a matter of urgency, to the extent that such information is not otherwise provided to NGET pursuant to Section C, Part One, paragraphs 4.4, 4.5 or 4.6.
- 4.1.2 NGET shall, as soon as it becomes aware of any Event on the National Electricity Transmission System or a User System which has had or may have an Operational Effect on a Transmission Owner's Transmission System, notify such Transmission Owner (either verbally or in writing) as a matter of urgency.
- 4.1.3 NGET shall, as soon as it becomes aware of any Event on the Transmission Owner's Transmission System which has led to a Possible Relevant Interruption of an Affected User, notify the relevant Transmission Owner(s) as a matter of urgency.
- 4.1.4 Each Party may (irrespective of whether or not it has received a notification under sub-paragraph 4.1.1 or 4.1.2), in its discretion, determine that an Event is a Significant Incident and request that, where relevant, NGET or any Transmission Owner(s) whose Transmission System(s) has been or may be affected by the Significant Incident prepare and submit a report in accordance with sub-paragraph 4.1.6..
- 4.1.5 Following a notification described in sub-paragraph 4.1.3 NGET may request that the Transmission Owner(s) whose Transmission System(s) has been or may be the cause of the Possible Relevant Interruption of an Affected User prepare and submit a report in accordance with sub-paragraph 4.1.6.
- 4.1.6 Each Party (the "**Responding Party**") shall, if requested to do so by another Party (the "**Requesting Party**") pursuant to sub-paragraph 4.1.4 or 4.1.5, prepare and submit a written report to the Requesting Party as soon as reasonably practicable in relation to a Significant Incident or a Possible Relevant Interruption which shall include, without limitation, the following information:
- 4.1.6.1 a description of the Significant Incident or the Possible Relevant Interruption (including, without limitation, any associated Services Reduction or Service Reduction Risk
- 4.1.6.2 the time and date of the Significant Incident; or the Possible Relevant Interruption and the estimated Interruption Period of Possible Relevant Interruption;
- 4.1.6.3 the location(s) of the Significant Incident or the Possible Relevant Interruption;
- 4.1.6.4 Plant and/or Apparatus directly involved (and not merely affected by the Event(s) giving rise to the Significant Incident or the Possible Relevant Interruption);
- 4.1.6.5 a response to any question(s) raised by the Requesting Party in relation to the Event or Significant Incident or the Possible Relevant Interruption; and

- 4.1.6.6 any other information reasonably requested by the Requesting Party in relation to the Event or Significant Incident or the Possible Relevant Interruption.
- 4.1.7 Each Party shall, where reasonably requested to do so by another Party, assist in answering any questions from or otherwise providing information (in the case of NGET) to a User or in the case of any Party, to any other Party, in relation to an Event or Significant Incident or the Possible Relevant Interruption on such Transmission Owner's Transmission System.
- 4.1.8 If an Affected User has exercised its rights pursuant to paragraph 5.10 of the CUSC NGET and the relevant Transmission Owner will agree whether or not they consider, on the basis of the report submitted under sub-paragraph 4.1.6, that a Possible Relevant Interruption has occurred and the Interruption Period. In the event that the relevant Transmission Owner and NGET do not agree the relevant Transmission Owner or NGET may refer any such failure to agree to arbitration in accordance with Paragraph 5 of Section H. 4.1.9 Where NGET and the relevant Transmission Owner agree pursuant to paragraph 4.1.8, or if determined in accordance with Paragraph 5 of Section H, a Possible Relevant Interruption will be treated as a Relevant Interruption.4.2.

#### **Joint Investigations**

- 4.2.1 Where a Significant Incident or a Possible Relevant Interruption has occurred and a written report has been submitted to a Requesting Party under sub-paragraph 4.1.4, or 4.1.5 such Requesting Party, or any Party which has submitted a written report in relation to such Significant Incident or, Possible Relevant Interruption, may request in writing to the other, and to any other Party which has been or is likely to be affected by the Significant Incident or Possible Relevant Interruption, that a Joint Investigation be conducted (all Parties participating in a Joint Investigation are referred to collectively as the "**Investigation Parties**").
- 4.2.2 As soon as reasonably practicable following a request under sub-paragraph 4.2.1, the Investigation Parties shall endeavour to agree whether to undertake a Joint Investigation and any matters related to the conduct of such Joint Investigation and which may include, without limitation:
- 4.2.2.1 where requested by NGET, the involvement of any User(s) or other person(s);
  - 4.2.2.2 whether the Joint Investigation should also deal with any Related Significant Incidents or Possible Relevant Interruptions;
  - 4.2.2.3 the form and rules of and procedure for conducting the Joint Investigation;
  - 4.2.2.4 provision for dealing with the costs of the Joint Investigation; and
  - 4.2.2.5 provision for the withdrawal of an Investigation Party or other person involved in the Joint Investigation.
- 4.2.3 For the avoidance of doubt:
- 4.2.3.1 a Joint Investigation shall not be conducted unless the Investigation Parties have reached agreement pursuant to sub-paragraph 4.2.2; and
  - 4.2.3.2 a Joint Investigation shall not constitute, and shall remain separate from, any Dispute otherwise arising pursuant to Section H.

## **5. BLACK START**



5.1.1 Notwithstanding that a Transmission Owner is not a party to the CUSC and is not thereby required to comply with the Grid Code, a Transmission Owner shall comply with sections OC9.4 and OC9.5 of the Grid Code (as amended from time to time) and any Local Joint Restoration Plan and OC9 De-Synchronised Island Procedure agreed with the Transmission Owner pursuant to those sections.

5.1.2 NGET shall comply with, and shall procure that a User shall comply with sections OC9.4 and OC9.5 of the Grid Code and any Local Joint Restoration Plan or OC9 De-Synchronised Island Procedure agreed pursuant to OC9.4 or OC9.5 where and to the extent that such section applies to NGET and the User.

5.2 In the event of a Total Shutdown or Partial Shutdown, NGET will, as soon as reasonably practical, inform each Transmission Owner (or, in the case of a Partial Shutdown, each Transmission Owner which in NGET's reasonable opinion need to be informed) that a Total Shutdown, or, as the case may be, a Partial Shutdown, exists and that NGET intends to implement a Black Start, following which the Parties shall comply with the processes set out in the arrangements agreed pursuant to paragraph 5.1.

## **6. ENERGISATION AND DE-ENERGISATION**

6.1 On notification from NGET, a Transmission Owner shall promptly comply with any instruction from NGET in relation to:

6.1.1 the Energisation of User Equipment specified in such notice; or

6.1.2 the De-energisation of User Equipment specified in such notice.

## **7. PROVISION OF TRAINING**

7.1 NGET and each Transmission Owner, upon reasonable request from the other including, without limitation, as to numbers and duration, provide such nominated personnel as shall be agreed between NGET and such Transmission Owner and at the expense of the Party providing such training, with training on the processes that NGET or the Transmission Owner (as appropriate) is required to follow, or that it may otherwise develop, in the discharge of its obligations arising in relation to paragraph 5 of this Part Three.

7.2 Any training provided pursuant to paragraph 7.1 shall be in such form and on such terms as the Party providing such training shall, at its discretion, determine is reasonable and both relevant Parties shall co-operate in the performance of such training.

7.3 Any dispute arising in relation to the provision of, or failure to provide, training pursuant to this paragraph 7, shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

## **8. NATIONAL ELECTRICITY TRANSMISSION SYSTEM PERFORMANCE REPORTING**

8.1 NGET shall discuss and evaluate with each Transmission Owner any proposed changes to the statement ("**Condition C17 Statement**") setting out the criteria by which system availability, security and service quality of the National Electricity Transmission System may be measured pursuant to Standard Condition C17 of its Transmission Licence which may be proposed by NGET or a Transmission Owner.

8.2 NGET shall, prior to seeking the approval of the Authority for any change to the Condition C17 Statement, consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it

would incur by complying with its obligations under Standard Condition D3 or Standard Condition E16 as applicable of its Transmission Licence as a consequence of any proposed change to the statement.

- 8.3 Parties shall agree a timetable for the key stages of the production of the National Electricity Transmission System Performance Report (“**National Electricity Transmission System Performance Report Timetable**”) to enable NGET to meet its obligations for submission of the report to the Authority within the specified timescales of Standard Condition C17. Any failure to agree a National Electricity Transmission System Performance Report Timetable may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 8.4 In the event that NGET and a Transmission Owner fail to agree a National Electricity Transmission System Performance Report Timetable, or any part thereof, then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.3, the Transmission Owner shall comply with such timetable as NGET may specify.
- 8.5 Following the submission of relevant information from each Transmission Owner pursuant to Paragraph 2 of Standard Condition D3 or Standard Condition E16 as applicable of the Transmission Owner’s Transmission Licence, NGET shall provide to each Transmission Owner those parts of the initial draft text of the report produced pursuant to Paragraph 3 of Standard Condition C17 of NGET’s Transmission Licence (“**National Electricity Transmission System Performance Report**”) as are of relevance to it and shall liaise with each of them in order to agree any amendments to the initial draft text of the National Electricity Transmission System Performance Report requested by a Transmission Owner. Any failure to agree such amendments to the initial draft text of the report may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 8.6 In the event that NGET and a Transmission Owner fail to agree any amendments to the initial draft text of the National Electricity Transmission System Performance Report then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.5, NGET's proposals in respect of such amendments shall prevail.

## **SECTION H: DISPUTES**

### **1. INTRODUCTION**

- 1.1 This Section H sets out:
  - 1.1.1 the obligations on the Parties to escalate and seek to resolve Disputes;
  - 1.1.2 the types of Dispute that are referable to the Authority under this Code and the arrangements and obligations in relation to such referrals; and
  - 1.1.3 the types of Dispute that are referable to arbitration under this Code and the arrangements and obligations in relation to such referrals.

### **2. GENERAL**

- 2.1 Subject to any contrary provision of the Act, any Transmission Licence and the Regulations, and the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act or Transmission Licences or otherwise howsoever, any

Dispute between the Parties shall be resolved as provided in the applicable Section of this Code and this Section H.

### **3. ESCALATION**

- 3.1 Notwithstanding the remaining provisions of this Section H, Parties shall identify and progress Disputes without undue delay and consistently with the objective of resolving such Disputes as early and as efficiently as reasonably practicable.
- 3.2 A Party may raise a Dispute by issuing a Dispute Notice to the Authority and each of the other Dispute Parties.
- 3.3 As soon as reasonably practicable, and in any event within 10 Business Days (or such longer period as the Dispute Parties may agree) of the date of issue of a Dispute Notice, representatives of each of the Dispute Parties who have authority to resolve the Dispute shall use their best endeavours to seek to resolve such Dispute.
- 3.4 If the Dispute Parties are unable to resolve a Dispute pursuant to paragraph 3.3, then the Dispute Parties' obligations under that paragraph shall no longer apply to that Dispute and a Dispute Party may refer the matter to the Authority or to arbitration as appropriate in accordance with paragraphs 4 and 5 below.

### **4. REFERRALS TO THE AUTHORITY**

- 4.1 Subject to paragraph 3, a Party may refer a Dispute falling under sub-paragraphs 4.3 or 4.4 or an Implementation Dispute under paragraph 4.6 to the Authority for determination by issuing a Reference Notice to the Authority copied to each of the other Dispute Parties.
- 4.2 Subject to paragraph 4.5 below, any Dispute falling under this paragraph 4 shall not be capable of being referred to arbitration pursuant to the rules of the Electricity Arbitration Association or otherwise, or to any court.
- 4.3 In addition to those matters falling under paragraph 4.4, the following matters shall constitute a Dispute referable to the Authority under the Code:
  - 4.3.1 a failure to agree pursuant to Section A, paragraph 4.4;
  - 4.3.2 a failure to agree pursuant to Section B, sub-paragraph 3.2.5 or any other dispute in relation to the scope, content or performance of the Party Entry Processes;
  - 4.3.3 a failure to agree pursuant to Section B, sub-paragraph 5.1.6 or any other dispute in relation to the scope, content or performance of the Decommissioning Actions;
  - 4.3.4 a failure to agree pursuant to Section B, sub-paragraph 7.3.4;
  - 4.3.5 a failure to agree an amendment to the form of the Services Capability Specification pursuant to Section C, Part One, paragraphs 3.2 or 3.3;
  - 4.3.6 a dispute in relation to the reasonableness of a request for further information by NGET pursuant to Section C, Part One, paragraph 3.4;
  - 4.3.7 a dispute in relation to the net costs reasonably incurred by the Transmission Owner as a result of an Outage Change (as defined in the licence);
  - 4.3.8 a dispute in relation to the provision of, or failure to provide, training pursuant to Section C, Part Three, paragraph 7.3;
  - 4.3.9 a failure to agree a National Electricity Transmission Performance Report Timetable or any part thereof pursuant to Section C, Part Three, paragraph 8.3;
  - 4.3.10 a failure to agree amendments to draft text of a National Electricity Transmission System Performance Report pursuant to Section C, Part Three, paragraph 8.5;

- 4.3.11 a failure to agree a SYS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 4.1.2;
  - 4.3.12 a failure to agree amendments to draft text of a Seven Year Statement pursuant to Section D, Part One, sub-paragraph 4.1.4;
  - 4.3.13 a failure to agree an ODIS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 5.1.2;
  - 4.3.14 a failure to agree amendments to the draft text of an Offshore Development Information Statement pursuant to Section D, Part One, sub-paragraph 5.1.4;
  - 4.3.15 a dispute pursuant to Section E, paragraph 5.1;
  - 4.3.16 a failure to agree under Section G, sub-paragraphs 6.1.1 or 6.1.2; and
  - 4.3.17 a dispute as to whether a matter falling under paragraph 4.4 materially and adversely affects a Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity in the National Electricity Transmission System Operator Area for the purpose of determining such Dispute Party's entitlement to refer a matter to the Authority under paragraph 4.4.
- 4.4 In addition to those matters falling under paragraph 4.3, the following matters shall constitute a Dispute referable to the Authority by a Dispute Party under the Code only where such matter(s) materially adversely affect(s) that Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity transmission in the National Electricity Transmission System Operator Area:
- 4.4.1 a failure to agree a Services Restoration Proposal or any modification to a Services Restoration Proposal under Section C, Part One, paragraphs 4.7 and 4.8 or 4.9;
  - 4.4.2 a dispute in relation to either a request by NGET or the adequacy of preparatory steps taken by a Transmission Owner pursuant to Section C, Part One, paragraph 4.13;
  - 4.4.3 a dispute in relation to the manner in which matters contained in an Outage Proposal are included, or are not included, in an Outage Plan pursuant to Section C, Part Two, paragraph 2.4;
  - 4.4.4 a failure to agree in relation to any Outage Plan or Outages Implementation Process pursuant to Section C, Part Two, paragraphs 5.7, 6.1 or 6.5;
  - 4.4.5 a dispute in relation to a direction issued by NGET regarding discontinuation of an Outage or Outages pursuant to Section C, Part Two, paragraph 7.1;
  - 4.4.6 a dispute in relation to a request for a change to Planning Assumptions pursuant to Section D, Part One, paragraph 2.2;
  - 4.4.7 a dispute in relation to a Planning Request pursuant to Section D, Part One, sub-paragraph 2.4.4;
  - 4.4.8 a dispute in relation to the reasonableness of a request by NGET for information pursuant to Section D, Part One, sub-paragraph 2.6.2;
  - 4.4.9 a dispute in relation to a Transmission Interface Site Specification pursuant to Section D, Part One, sub-paragraph 2.7.4;

- 4.4.10 a dispute in relation to a Embedded Transmission Interface Site Specification pursuant to Section D, Part One, sub-paragraph 2.8.3;
  - 4.4.11 a dispute in relation to a the effectiveness of a NGET Construction Application pursuant to Section D, Part Two, paragraph 2.5;
  - 4.4.12 a dispute in relation to a request for a change to Construction Planning Assumptions pursuant to Section D, Part Two, paragraph 3.7;
  - 4.4.13 a dispute in relation to a notice by the Transmission Owner that it does not intend to submit a TO Construction Offer or a notice of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Two, paragraph 4.3;
  - 4.4.14 a dispute in connection with a TO Construction Offer or an OTSDUW Completion Report (including any documents included within it) pursuant to Section D, Part Two, paragraph 5.2;
  - 4.4.15 a failure to agree Communications Plant under Section D, Part Two, paragraph 9.1;
  - 4.4.16 a dispute in relation to the effectiveness of a NGET TEC Exchange Rate Application pursuant to Section D, Part Three, paragraph 1.4;
  - 4.4.17 a dispute in relation to a request for a change to TEC Exchange Planning Assumptions pursuant to section D, Part Three, paragraph 2.7;
  - 4.4.18 a dispute in relation to the effectiveness of a NGET Request for a Statement of Works pursuant to Section D, Part Four, paragraph 1.4;
  - 4.4.19 a dispute in relation to a request for a change to Statement of Works Planning Assumptions pursuant to Section D, Part Four, paragraph 2.7; and
  - 4.4.20 a dispute in relation to a TO Statement of Works Notice by the Transmission Owner that it does not require Transmission Construction Works to be undertaken in respect of a Statement of Works Project or of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Four, paragraph 3.3.
- 4.5 The Authority's determination of a Dispute pursuant to this paragraph 4 shall, without prejudice to any ability to apply for judicial review of any determination, be final and binding on the Dispute Parties.
- 4.6 It is expected that, in most cases, the Authority's determination of a Dispute pursuant to this paragraph 4 will set out the effect of the determination in terms of any actions or other steps that the Dispute Parties should take. To the extent that there is a Dispute between the Dispute Parties over the implementation of any such determination by the Authority (an "**Implementation Dispute**"), then any such Dispute Party may, subject again to the obligation to hold initial discussions in the same terms as under paragraph 3.3, refer the Implementation Dispute back to the Authority for determination.
- 4.7 Following a determination under this paragraph 4, each Dispute Party shall take such steps as are required to give full and timely effect to that determination including, without

limitation, issuing, withdrawing or modifying any document, notice, plan or process or taking any other steps required pursuant to this Code.

## **5. REFERRALS TO ARBITRATION**

5.1 Subject to paragraph 3, a Dispute Party may, unless otherwise specified in this Code, refer:

12 5.1.1 a Dispute that is specifically designated for referral to arbitration under this Code; or

12 5.1.2 any other Dispute not referable to the Authority under paragraph 4.1,

to arbitration pursuant to the applicable rules of the Electricity Arbitration Association in force from time to time by issuing a Reference Notice to the Electricity Arbitration Association and to each of the other Dispute Parties and the Authority.

5.2 Whatever the nationality, residence or domicile of any Dispute Party and wherever the Dispute arose, the law of England shall be the proper law of reference to arbitration under this paragraph 5 and, in particular (but not so as to derogate from the generality of the foregoing), the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever it or any part of it shall be conducted save as prescribed below.

13 5.3 Subject to paragraph 5.4 the Parties hereby consent to the President of the Electricity Arbitration Association deciding at his discretion and ensuring, so far as practicable, that the proceedings relating to such a decision are managed effectively, fairly and expeditiously:

14 5.3.1 following the same process as set out in Article 13 of the Electricity Arbitration Association rules in respect of pending arbitrations, that two or more disputes referred to it for arbitration (whether pending or underway), be consolidated or otherwise heard together (whether or not such disputes are all Disputes or a Dispute and any dispute(s) referred under an Other Code), where a Party (or Other Code Party to a dispute under an Other Code) so requests in writing to the Electricity Arbitration Association copied to each of the other Parties and relevant Other Code Parties setting out the reasons for such consolidation; or

15 5.3.2 that a dispute referred to it (whether pending or underway and whether a Dispute or a dispute referred to it under an Other Code) be stayed for a period not exceeding three months after the referral of such dispute to the Electricity Arbitration Association, pending resolution of another dispute referred to it (whether pending or underway and whether a Dispute or a dispute referred under an Other Code).

16 5.4 The consent of the Parties under paragraph 5.3.1 shall be deemed not to have been given where a request for consolidation thereunder is received by the Electricity Arbitration Association more than three months (or such other period as the Electricity Arbitration Association may at its discretion determine) after the referral of any Dispute or Other Code dispute to the Electricity Arbitration Association which is the subject of such request.

- 5.5 Any arbitrator or panel of arbitrators appointed by the Electricity Arbitration Association rules under this paragraph 5 shall determine such issues as are referred to him or them consistently with any determination by the Authority of a Dispute under paragraph 4, whether or not relating to the same or different facts.
- 5.6 The arbitrator of a Dispute under this paragraph 5 may order that the arbitration be stayed pending approval of a proposal to amend the Code under the STC Modification Procedures by the Authority.
- 5.7 Subject to any order of the arbitrator, the Dispute Parties shall keep confidential and not use for any collateral or ulterior purpose the subject matter of the arbitration and all information, documents and materials produced for, or arising in relation to the arbitration including any relief granted save insofar as is necessary to enforce any such relief.
- 5.8 The arbitrator may make any award concerning the costs of the parties or the costs of the arbitration as he considers appropriate.
- 5.9 The determination of an arbitrator under this paragraph 5 shall be final and binding on the Dispute Parties.
- 5.10 Following a determination under this paragraph 5, each Dispute Party shall take such steps as are required to give effect to that determination including, without limitation, under this Code.