



CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP121 Amendment to Outturn Reconciliation

*The purpose of this document is to
consult on Amendment Proposal CAP121
with CUSC Parties and other interested
Industry members*

Amendment Ref	CAP121
Issue	1.0
Date of Issue	4 th April 2006
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1	03/04/2006	National Grid	Initial Draft for internal comment
1.0	04/04/2006	National Grid	Formal version for release

b Document Location

National Grid website:

www.nationalgrid.com/uk/electricity/codes/

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

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1.0 SUMMARY AND VIEWS

Executive Summary

- 1.1 CAP121 Amendment to Outturn Reconciliation was proposed by National Grid and submitted to the Amendments Panel on 31st March 2006. CAP121 proposes to amend CUSC provision 2.14.3 (c) to increase flexibility for the connection reconciliation process.
- 1.2 Currently all Outturn Reconciliation for connections is to be undertaken within one year of the Completion Date, however, this is not always achievable for all projects. CAP121 proposes to allow Generators and National Grid to agree a mutually acceptable timescale to complete the process.
- 1.3 CAP121 will therefore provide flexibility for both Generators and National Grid whilst maintaining the 12 month backstop, if an agreement cannot be reached.

National Grid's View

- 1.4 National Grid, as the proposer of CAP121 is supportive of the Amendment Proposal, believing that it would better facilitate achievement of the Applicable CUSC Objective (a).

Amendment Panels View

- 1.5 The Amendments Panel agreed that CAP121 should proceed to wider consultation by National Grid, for a period of 3 weeks.

1.0 PURPOSE AND INTRODUCTION

- 1.1 This is a consultation document issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 1.2 Further to the submission of Amendment Proposal CAP121, this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 CAP121 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 31st March 2006. The Amendments Panel determined that CAP121 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This consultation document outlines the nature of the CUSC changes that are proposed. Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.5 This consultation document has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/ and the Amendment Proposal form. This document invites views upon CAP121 and the **closing date is 26th April 2006 for responses** including any Consultation Alternatives.

- 2.6 CUSC Parties are reminded that any Consultation Alternatives must be submitted by the above closing date and must be in writing and contain sufficient detail in accordance with the requirements within CUSC 8.15.2

3.0 PROPOSED AMENDMENT

- 3.1 CAP121 proposes to amend CUSC 2.14.3 (c) to provide both National Grid and Generators the ability to agree a mutually acceptable date for Outturn Reconciliation for connections.

- 3.2 At present all Outturn Reconciliation must be completed within one year of the Completion Date, however this is not always achievable for all generation projects, especially if the project is large or staged.

- 3.3 CAP121 aims to build more flexibility into the CUSC ensure reconciliation timescales are best suited for the individual requirements of each project but where an agreement cannot be reached, the existing 12 month period would remain in force.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 CAP121 would better facilitate CUSC Objective;
- (a) *the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence*
- 4.2 By creating more flexibility within the reconciliation process which is beneficial for both Generators and National Grid.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes CAP121 should be Implemented 10 business days after an Authority decision because it has no material impact or effect on CUSC Parties. In accordance with 8.19.3(b) views are invited on this proposed implementation date.

6.0 IMPACT ON THE CUSC

- 6.1 CAP121 requires amendments to CUSC 2.14.3 (c). The text required to give effect to the Proposal is contained in Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

- 7.1 The STC Committee flagged a potential consequential impact upon the STC. However after further investigation, STCP 19.2 already reflects the proposed drafting of CAP121, i.e. parties are able to agree an extended timetable.
- 7.2 Therefore CAP121 has no impact upon Core Industry Documents or Industry Computer Systems/Processes as it is a straightforward Amendment to provide greater flexibility.

8.0 INITIAL VIEW OF THE AMENDMENTS PANEL

- 8.1 The Amendments Panel agreed that CAP121 should proceed to wider consultation by National Grid, for a period of 3 weeks.

9.0 INITIAL VIEW OF NATIONAL GRID

- 9.1 National Grid believes CAP121 would provide greater flexibility within the CUSC for Outturn Reconciliation which is beneficial to all parties and would better achieve CUSC Applicable Objective (a).

10.0 VIEWS INVITED

- 10.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP121 and issues arising from the proposed timescale for implementation.
- 10.2 Please send your responses to this consultation to National Grid by no later than close of business on **26th April 2006.**
- 10.3 Please address all comments to the following e-mail address:

Beverley.viney@uk.ngrid.com

Or alternatively, comments may be addressed to:

Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed Legal text to modify the CUSC is detailed below by inserting the coloured underlined text

2.14.3 Connection Charges - Outturn Reconciliation

- (a) The following provisions relate to the ability for invoices to be issued for **Connection Charges** based on an estimate of the cost of **Transmission Connection Asset Works**, and for reconciliation once those costs are known.
- (b) **The Company** shall be entitled to invoice each **User** for **Connection Charges** payable in accordance with the **CUSC** in respect of any **Plant** and **Apparatus** installed as part of the **Transmission Connection Asset Works** on the basis set out in the **Statement of the Connection Charging Methodology**, until the final cost of carrying out the said **Transmission Connection Asset Works** shall have been determined.
- (c) As soon as practicable after the **Completion Date** and in any event within one year (or such later period as **The Company** and the relevant **User** shall agree) thereof. **The Company** shall, as between **The Company** and that **User**, provide to the **User** a written statement specifying the **Connection Charges** calculated in accordance with the **Charging Statements** based on the cost of carrying out the **Transmission Connection Asset Works** (the "**Cost Statement**"). **The Company** shall be entitled to revise Appendix B to the relevant **Bilateral Connection Agreement** accordingly.
- (d) In the event that the **Connection Charges** specified in the **Cost Statement** are greater than the amount paid by the **User** based on **The Company's** estimate under Paragraph 2.14.3(b), the **User** shall pay to **The Company** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company's** estimate to the date of payment by the **User** of the difference at the **Base Rate**. In the event that the **Connection Charges** specified in the **Cost Statement** are less than the amount paid by the **User** based on **The Company's** estimate, **The Company** shall pay to the **User** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company's** estimate to the date of repayment by **The Company** at the **Base Rate**. Such payment of reconciliation shall be made by one party to the other within 28 (twenty eight) days of the **Cost Statement**.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form		CAP:121
Title of Amendment Proposal: Amendment to Outturn Reconciliation		
Description of the Proposed Amendment (mandatory by proposer): It is proposed to amend the CUSC provision CUSC 2.14.3 (c) in circumstances where Outturn Reconciliation cannot be completed within one year of the Completion Date, thus providing both National Grid and the Generator with the flexibility to agree mutually acceptable timescales to complete the reconciliation process. Where mutual agreement can not be reached, the existing 12 month period would remain in force.		
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): Currently CUSC 2.14.3 (c) requires all Outturn Reconciliation to be undertaken within one year of the Completion Date. However, this is not always achievable for all generation/connection projects. The proposed amendment to the CUSC aims to build more flexibility into the CUSC, such that it is clear that National Grid and Generators have the flexibility to agree a reconciliation date that is best suited to the individual requirements of that particular project.		
Impact on the CUSC (this should be given where possible): CUSC Section 2 – Connection CUSC 2.14.3 The proposed Legal text to modify the CUSC is detailed in the appendix, by inserting the coloured underlined text		
Impact on Core Industry Documentation (this should be given where possible): The STC Committee have flagged that there might be a consequential impact onto the STC. This will need to be explored further.		
Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible): N/A		
Details of any Related Modifications to Other Industry Codes (where known): N/A		
(Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** mandatory by proposer): National Grid believes that by amending the outturn provisions would better achieve the applicable CUSC objective (a) (The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence) by building more flexibility into the process in a way that will be helpful for National Grid and Users.		
Details of Proposer: Organisation's Name:	National Grid	
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party	
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 Emma.j.carr@uk.ngrid.com	
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Shafiq Ullah National Grid 01926 654874 Shafiq.ullah@uk.ngrid.com	

Attachments (Yes/No):**If Yes, Title and No. of pages of each Attachment:**

No

Notes:

Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.

The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Panel Secretary
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C10, paragraph 1. Reference should be made to this section when considering a proposed amendment.