

Stage 06: Final CUSC Modification Self-governance Report

Connection and Use of System Code

CMP205 Clarification to the Mandatory Services Agreement.

This proposal seeks to modify the CUSC to make a number of non-material changes to the CUSC Schedule 2, Exhibit 4 – Mandatory Services Agreement (MSA). These proposed changes aim to update the CUSC schedule to reflect changes in the industry and are intended to keep the exhibit up to date and keep consistency within the CUSC.

Published on: 16 April 2012
Date of Self-governance: 30 March 2012
Vote:



CUSC Modifications Panel determination:

CMP205 should be implemented as it better facilitates the Applicable CUSC Objectives.



High Impact:

None



Medium Impact:

None



Low Impact:

National Grid, New Providers of Mandatory Services.

What stage is this document at?

| | |
|----|---------------------------------|
| 01 | Initial Written Assessment |
| 02 | Workgroup Consultation |
| 03 | Workgroup Report |
| 04 | Code Administrator Consultation |
| 05 | Draft CUSC Modification Report |
| 06 | Final CUSC Modification Report |

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Any Questions?

Contact:

Jade Clarke

Code Administrator



[jade.clarke@
uk.ngrid.com](mailto:jade.clarke@uk.ngrid.com)



07825202356

Proposer:

Jade Clarke

National Grid Electricity
Transmission Plc

About this document

This document is the final version of the CUSC Modification Self-governance Report which contains the details of the Self-governance vote carried out by the Panel. This document has been prepared and issued by National Grid under the rules and procedures specified in the CUSC.

Document Control

| Version | Date | Author | Change Reference |
|---------|------------|------------------------------------|--|
| 0.1 | 01/03/2012 | National Grid | Draft for Industry comment |
| 0.2 | 22/03/2012 | National Grid | Version for Panel Vote |
| 0.3 | 03/04/2012 | National Grid | Draft for Panel Comment following the Self-governance vote |
| 1.0 | 16/04/2012 | National Grid (Code Administrator) | Final CUSC Modification Self-governance Report |



Self Governance

Self-governance is a process which may be followed in the CUSC which allows the CUSC Panel to approve or reject a modification to the CUSC without approval from the Authority.

However the Authority will have veto rights over the decision to progress a proposal as Self-governance

- 1.1 CMP205 was proposed by National Grid Electricity Transmission Plc and submitted to the CUSC Modifications Panel for their consideration on 27th January 2012. The Panel determined that the proposal should be sent to the Code Administrator Consultation phase and report back to the CUSC Modifications Panel in April 2012 for the Panel Self-governance Vote.
- 1.2 The Code Administrator Consultation closed on 24 February 2012 and two responses were received. Copies of all representations received in response to the Code Administrator Consultation are included as Annex 4 to this document.
- 1.3 CMP205 aims to update the current version of CUSC Schedule 2, Exhibit 4 – Mandatory Services Agreement (MSA) so that it reflects current business practice between National Grid and its customers. This includes removing sections of the MSA which are no longer applicable to any User's and including new clauses which have arisen from the increased amount of intermittent generation on the Transmission System. These proposed changes aim to update the CUSC document to reflect changes in the industry and are intended to keep the Exhibit up to date and keep consistency within the CUSC.
- 1.4 This CUSC Modifications Report 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, along with the CUSC Modification Proposal form

CUSC Modifications Panel Determination

- 1.5 At the CUSC Modifications Panel on 30th March 2012, the Panel voted unanimously that CMP205 better facilitates the Applicable CUSC Objectives and so should be implemented. Full details of the vote can be found in Section 6 of this report.

National Grid's Opinion

- 1.6 National Grid supports the implementation of CMP205 as it better facilitates Applicable CUSC Objectives (a) and (b) by updating industry documents and improving clarity and understanding for CUSC Parties.

2 Description of Proposed Modification

2.1 The Mandatory Services Agreement sets out the requirements for a Balancing Mechanism Unit (BMU). This agreement follows the Connection Agreement between National Grid and the User. The MSA confirms the requirements for each BMU to have an indicative MSA completed prior to commissioning with reference to Appendix 1, Section B, Parts I, II and IV of the CUSC (relating to Frequency Response). It also states that it is the User's responsibility to ensure that testing to retrieve actual Frequency Response levels is completed as soon as possible after commissioning so that the MSA can be amended to accurately reflect the capabilities of the BMU.

2.2 Recently there have been some changes within the industry which has resulted in some of the clauses in the Mandatory Services Agreement becoming inconsistent with the practice of National Grid's interaction with their customers. There are 3 defects which this proposal addresses;

2.3 Testing timescales

Currently, there is no timescale that testing needs to be completed within, as the current clause 4.4 states that this should be done as soon as possible following completion of commissioning. Generally generators are expected to complete testing within 6 months, although this timescale is sometimes extended, especially with Intermittent Generators. For some generators, such as wind, it can be harder to provide data such as Frequency Response levels as testing is normally arranged for a future date for which there is no guarantee that there will be an availability of wind.

2.4 Restrictive Trade Practices Act

Clause 5 refers to the Restrictive Trade which no longer applies to any users completing the Mandatory Services Agreement. This is due to the Act being repealed in March 2000.

2.5 Power Park Modules

With the increase of Intermittent Generation on the Electricity Transmission System, there may be issues when it comes to Generators providing National Grid with the data required by the MSA. Power Park Modules, as part of their connection agreement or due to their size or location on the system, may only be required to provide either frequency or reactive services. They may have restrictions on them from their Distribution Network Operator that means while they have full capability they may only provide a certain level of either service. For reasons like these, it is difficult for Power Park Modules to provide the data set out in the current MSA tables. There are currently no allowances within the MSA for Power Park Modules which may have issues regarding connection/equipment when it comes to provide such data. The proposer's view is that the wording in the Mandatory Services Agreement can be changed in order to solve this defect. This change will update the MSA to facilitate requirements of the User's who may have problems providing data to National Grid as part of the Mandatory Services Agreement.

2.6 CMP205 aims to include an optional paragraph within clause 4.4 of the Mandatory Services Agreement which allows generators to request more time to provide actual Frequency Response Levels after the date of commissioning. Usually this is done as soon as possible, although this clause allows the generator more than 6 months to provide actually Frequency Response Levels when agreed in writing with National Grid.

- 2.7 This additional optional paragraph within clause 4.4 was brought about by Intermittent Generators who were unable to arrange testing within a reasonable timeframe, although to retain equitable treatment between generation types, this optional paragraph is applicable to all User's who are unable to arrange testing with National Grid within 6 months.
- 2.8 The proposer recommends that clause 5, which refers to the Restrictive Trade Practices Act, should be removed from the MSA as it is no longer applicable to any user completing a Mandatory Services Agreement as the Act was repealed in March 2000.
- 2.9 With regards to the issues that Power Park Modules face when it comes to providing data set out in tables within the Mandatory Services Agreement, the proposer suggests that allowances should be made for this within the MSA. This Modification Proposal seeks to include clause 10; this would be an optional clause and will only be applicable to Power Park Modules. This would state that the Power Park Modules may not have to comply with certain aspects of the Grid Code and CUSC. They may also be able to provide additional information; and for any specific requirements to be documented in the MSA and to be confirmed as soon as reasonably possible.

3 Panel Discussion

3.1 CMP205 was presented at the CUSC Panel meeting on 27 January 2012, and the following queries were raised.

- Have there been any disputes over testing periods in the past between National Grid and the generators?
- How likely is it that testing will take more than 6 months?
- How reliable are the indicative figures provided by the generator within the Mandatory Services Agreement?
- To what extent has National Grid utilised Mandatory Services in the past, prior to completion of compliance testing?
- Are there any consequences for not completing the testing to provide actual figures for the Mandatory Services Agreement, for either National Grid or the generator?

3.2 There are generally no disputes when it comes to testing for Frequency Response levels. Testing is generally arranged by selecting a 2 week period about 2 months in advance. Closer to the time, it is agreed between the generator and National Grid which days within the 2 weeks can be used for testing. Even though there are 2 weeks in which testing can take place, for intermittent generators, it is still hard to predict which days the wind will be the strongest. If testing cannot be completed within the two weeks then it is rescheduled, this is not due to a fault made by National Grid or by the generator.

3.3 For most generators, 6 months is a realistic timescale in which testing can be completed. Testing normally starts after the generator has received its Interim Operational Notification which is usually when the generator is ready to start generating whereas wind farms can gain theirs when they have constructed only one wind turbine. In these cases the time given for testing will extend over 6 months as the wind farm will not want to complete testing until they have all wind turbines ready for generation. The extra paragraph inserted into clause 4.4 was brought about by issues similar to this, although the extension of testing time can be agreed between any generator and National Grid.

3.4 The indicative figures which have been provided by the generator within the MSA have sometimes proven to be very unreliable, therefore National Grid does not tend to use mandatory services prior to completion of compliance testing as it may be detrimental to Security and Quality of Supply Standards. Although it has been known for National Grid to use Frequency Response services from generators before they receive their Final Operational Notification once the Frequency Response testing has been completed. If National Grid agrees that testing is completed and the services are safe to use this is usually done (mainly in Scotland).

3.5 There are no formal penalties for generators if they have not completed their testing for various levels although there are incentives for both National Grid and Generators to complete testing and to complete the MSA. National Grid wants the generator to complete testing for Security and Quality of Supply Standards reasons, so that they are able to supply electricity and balance the system efficiently. The Generator is driven to complete testing as they will gain their Final Operational Notification and get paid for Frequency Response services upon completion of the final MSA.

Impact on the CUSC

- 4.1 CMP205 requires amendments to the following parts of the CUSC:
- Schedule 2, Exhibit 4 – Mandatory Services Agreement
- 4.2 The text required to give effect to this proposal is contained in Annex 2 of this document.

Impact on Core Industry Documents

- 4.3 The proposer has not identified any impacts on Core Industry Documents.

Impact on other Industry Documents

- 4.4 The proposer has not identified any impacts on other Industry Documents.

Assessment against Applicable CUSC Objectives

- 4.5 The proposer considers that CMP205 would better facilitate the following CUSC Objectives

- (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;

This proposal better facilitates objective (a) as under the Transmission licence, this Modification Proposal helps prevent undue discrimination between different parties, those with Power Park Modules and those without.

- (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

This proposal satisfies objective (b), as it improves clarity of the Mandatory Services Agreement within the CUSC, and therefore better facilitates industry understanding of the document, which will better facilitate competition

- (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

5 Proposed Implementation



Appeals Window

A party may raise an appeal against the Panel decision on a Self-governance proposal by notifying the Authority within 15 working days after the Panel vote takes place.

- 5.1 The Code Administrator proposes that CMP205 should be implemented 10 working days after the Self-governance appeal window has closed.
- 5.2 All respondents to the Code Administrator Consultation supported this approach.

National Grid Opinion

6.1 National Grid supports the implementation of CMP205 as it better facilitates Applicable CUSC Objectives (a) and (b) by updating industry documents and improving clarity and understanding for CUSC Parties.

CUSC Modifications Panel Determination

6.2 The table below contains the details for each vote.

| Panel Member | Better facilitates ACO (a) | Better facilitates ACO (b)? | Better facilitates ACO (c)? | Overall (Y/N) |
|-----------------------------|---|--|-----------------------------|---------------|
| Simon Lord | Yes, it ensures the correct parameters. | Yes, improves clarity. | Neutral. | Y |
| Ian Pashley | Yes, for reasons already stated. | Yes, for reasons already stated. | Neutral. | Y |
| Paul Jones | Yes, for reasons already stated. | Yes, for reasons already stated. | Neutral. | Y |
| Paul Jones for Barbara Vest | Yes, for reasons already stated. | Yes, for reasons already stated. | Neutral. | Y |
| Paul Mott | Yes, it provides for the right incentives on the generator and National Grid. | Yes, improves clarity. | Neutral. | Y |
| Bob Brown | Yes, for reasons already stated. | Yes, for reasons already stated. | Neutral. | Y |
| Fiona Navesey | Yes, same as Paul Mott comments. | Yes, same as Paul Mott comments. | Neutral. | Y |
| Garth Graham | Yes, as per previous comments and the views in the Consultation. | Yes, as per previous comments and the views in the Consultation. | Neutral. | Y |
| Duncan Carter | Yes, for reasons already stated. | Yes, for reasons already stated. | Neutral. | Y |

7 Responses

7.1 The following table provides a summary of the responses received to the Code Administrator Consultation. The full responses can be found in Annex 3.

Code Administrator Consultation Responses

| No. | Respondent | Support | Better facilitates Applicable CUSC Objectives | Comments |
|-----|----------------|---------|---|-----------------------|
| 1. | Scottish Power | Yes | Yes under (a) and (b) | • No further comments |
| 2. | SSE | Yes | Yes under (a) and (b) | • No further comments |

| | |
|---|---------------|
| CUSC Modification Proposal Form | CMP205 |
| Title of the CUSC Modification Proposal: (mandatory by Proposer) | |
| Clarification to the Mandatory Services Agreement | |
| Submission Date (mandatory by Proposer) | |
| 19 th January 2012 | |
| Description of the CUSC Modification Proposal (mandatory by Proposer) | |
| <p>This CUSC Modification Proposal proposes minor changes to CUSC Schedule 2 Exhibit 4 – Mandatory Services Agreement (MSA). These proposed changes aim to update the CUSC Document to reflect changes in the industry and are intended to keep the Exhibit up to date and keep consistency within the CUSC.</p> <p>These changes aim to include new optional clauses within the MSA for customers to agree to, depending on the category of user they are and the type of connection they are applying for. A change has also been proposed to remove a clause relating to the Restricted Trade Practices Act 1976 which is now repealed so has been recommended for deletion. This is a consequential change to a government decision so is purely housekeeping.</p> | |
| Description of Issue or Defect that CUSC Modification Proposal seeks to Address: (mandatory by Proposer) | |
| <p>The Mandatory Services Agreement sets out the basic requirements of a Balancing Mechanism Unit (BMU), this agreement will follow the Connection Agreement between National Grid and the BMU.</p> <p>Recently there have been some changes within the industry which has resulted in some of the clauses within the Mandatory Services Agreement becoming inconsistent with the practice of National Grid's interaction with their customers. The Restrictive Trade Practices Act 1976 was repealed so now is not needed within the MSA, also there has been an increase in Intermittent generation on the system, these need to be accounted for within the MSA. This Modification Proposal seeks to make changes to clauses 4.4, 5 and 10 within CUSC Schedule 2 Exhibit 4 – Mandatory Services Agreement. These changes are described below.</p> <p>Clause 4.4</p> <p>Clause 4.4 is currently inserted into Mandatory Services Agreements as agreed on a bilateral basis. It confirms the requirement for each BMU to have an indicative Mandatory Services Agreement (MSA) completed prior to commission (ideally 6 months prior). It also makes it the BMU's responsibility to ensure that testing is completed as soon as possible after commissioning so that the MSA can be amended to accurately reflect the capabilities of the BMU.</p> <p>The current clause 4.4 defines how the levels of Response set out in the response tables within the</p> | |

MSA are indicative figures only during the period in which the relevant Generating unit(s) is being commissioned. It also clarifies that it is the User's responsibility to forward to National Grid levels of response which represent the true operating characteristics of the generating Unit(s) as soon as possible following completion of commissioning. This clause does not make allowances for Power Park Modules and the fact that they may find it difficult to supply such data within the time frame given.

This Modification Proposal seeks to add another optional paragraph within clause 4.4 relating to indicative response levels which would be agreed with customers on a bilateral basis depending on their requirements. This would allow either of the paragraphs in clause 4.4 to be inserted into the MSA. The new optional paragraph within clause 4.4 allows customers to request more time to submit mandatory data to National Grid. This will allow the Users more time for testing after commissioning so that they can submit the true response levels to National Grid. This flexibility is normally accommodated by National Grid in practice as it may be unrealistic for some customers, such as intermittent generators, to provide Response levels within this timescale. When providing response levels to National Grid, it is in the user's best interest to provide accurate readings, which may be difficult for intermittent generating units to predict. This is because when National Grid schedule to test an intermittent generator it is impossible to know if the unit will be generating on that specific day. This modification seeks to clarify the flexibility within the MSA.

Clause 5

Clause 5 refers to the Restrictive Trade Practices Act 1976, which has been repealed by the government therefore this Modification Proposal seeks to remove this clause from the MSA as it is no longer relevant.

Clause 10

This Modification Proposal also seeks to include a new clause 10; this would be an optional clause and will only be applicable to Power Park Modules. Clause 10 refers to the fact that Power Park Modules may not have to comply with certain aspects of the Grid Code and CUSC. This is due to the fact that Power Park Modules may use different equipment and may not physically be able to provide certain information. They may also be able to provide additional information; this will also be stated within the MSA. This new clause makes allowances for this and for any specific requirements to be documented in the MSA and to be confirmed as soon as reasonably possible.

Within the MSA, any clauses in the square brackets may be agreed with a customer on a BMU by BMU basis and may be applied as and where needed in bilateral agreements i.e. Clause 10 will only apply to Power Park Modules and either variant of Clause 4.4 may be used as appropriate.

Impact on the CUSC *(this should be given where possible)*

This Modification Proposal seeks to change the following part of the CUSC.

CUSC Schedule 2, Exhibit 4 – Mandatory Services Agreement.

- Change of clause 4.4
- Deletion of clause 5
- Insertion of a clause 10

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No *(mandatory by Proposer. Assessed in accordance with Authority Guidance)*

– see guidance notes for website link)

No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information *(this should be given where possible)*

BSC

Grid Code

STC

Other

(please specify)

Urgency Recommended: Yes / No *(optional by Proposer)*

No

Justification for Urgency Recommendation *(mandatory by Proposer if recommending progression as an Urgent Modification Proposal)*

N/A

Self-Governance Recommended: Yes / No *(mandatory by Proposer)*

Yes

Justification for Self-Governance Recommendation *(Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)*

The proposed changes within the Mandatory Services Agreement will not have any material effect on CUSC parties. The changes being proposed are to reflect changes in the industry and business practices which are already used.

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? *(Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)*

Yes, this Modification Proposal should be considered exempt from the Project Transmit Significant Code Review.

Impact on Computer Systems and Processes used by CUSC Parties: *(this should be given where possible)*

None

Details of any Related Modification to Other Industry Codes (where known):

No known related Modifications

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:

(mandatory by proposer)

Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

Under the Transmission licence, this Modification Proposal helps prevent discrimination between different parties, those with Power Park Modules and those without.

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

This proposal satisfies objective b, in that it improves clarity of the Mandatory Services Agreement within the CUSC, and therefore better facilitates industry understanding of the document, which will better facilitate competition.

(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

This proposal is neutral under applicable CUSC objective (c)

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

| | |
|--|--|
| Details of Proposer: (Organisation Name) | National Grid Electricity Transmission Plc |
| Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council") | CUSC Party |
| Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address: | Jade Clarke National Grid Electricity Transmission Plc 07825202356 jade.clarke@nationalgrid.com |
| Details of Representative's Alternate: Name: Organisation: Telephone Number: | Alex Thomason National Grid Electricity Transmission Plc 01926 656379 |

| | |
|----------------|--------------------------------|
| Email Address: | Alex.thomason@nationalgrid.com |
| | |

4.3 Provision of Frequency Response

4.3.1 The **Parties** agree that:-

- (a) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.7 of the **CUSC**, the figures set out in the response tables in Appendix 1, Section B, Part I represent the amount of **Primary Response, Secondary Response and High Frequency Response** referred to therein;
- (b) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.9 of the **CUSC**, the figures set out in the summary response tables in Appendix 1, Section B, Part II represent the capabilities in respect of **Primary Response, Secondary Response and High Frequency Response** at given levels of **De-Load** referred to therein;
- (c) for the purposes of Paragraph 4.1.3.4 of the **CUSC**, the table in Appendix 1, Section B, Part III shows the permissible combinations of **Primary Response, Secondary Response and High Frequency Response** referred to therein;
- (d) for the purposes of Paragraph 4.1.3.9 of the **CUSC**, the figures (if any) set out in the plant configuration table in Appendix 1, Section B, Part II represent the plant configuration adjustment factors referred to therein to be applied where the **BM Unit** is a **CCGT Module**; and
- (e) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.9A(a) of the **CUSC** in respect of calculation of the **Response Energy Payment**, the response values in Appendix 1, Section B, Part IV represent the Frequency Response Power that is deemed to be delivered in respect of **Primary Response, Secondary Response and High Frequency Response**.

4.4 [Commissioning and Provisional Response Levels

Without prejudice to Paragraph 4.1.3.14 of the **CUSC**, the **User** acknowledges that the levels of **Response** set out in the response tables in Appendix 1, Section B, Parts I, II and IV are indicative figures only during the period in which the relevant **Generating**

Unit(s) is being commissioned and the **User** hereby undertakes to use its reasonable endeavours to forward to **The Company** levels of response which represent the true operating characteristics of such **Generating Unit(s)** for inclusion in Appendix 1, Section B, Parts I, II and IV as soon as possible following completion of commissioning.]

Indicative Response Levels

Without prejudice to Paragraph 4.1.3.14 of the **CUSC**, the **Parties** acknowledge and agree that the levels of **Response** set out in Appendix 1, Section B, Parts I, II and IV reflect either the absence of or incomplete submissions of data required for the purposes of this Clause 4 to be made by the **User** for the relevant **BM Unit(s)** as at the **Commencement Date**, and furthermore the performance of such **BM Units(s)** has not been assessed by **The Company** to establish that such levels of **Response** represent the true operating characteristics of such **BM Unit(s)**, and accordingly:-

- (a) to that extent the figures set out in Appendix 1, Section B, Parts I, II and IV for such **BM Unit(s)** are provisional pending:-
 - (i) the submission by the **User** of such complete data, which the **User** hereby undertakes to provide to **The Company**, and
 - (ii) subsequent assessment by **The Company** of the performance of such **BM Unit(s)** (based upon demonstration to **The Company** by the **User** of operation of such **BM Unit(s)** and/or the provision by the **User** to **The Company** of such information as **The Company** shall reasonably require) in order to establish to **The Company's** reasonable satisfaction that such figures represent the true operating characteristics of such **BM Unit(s)**; and

- (b) upon submission by the **User** of such complete data and following assessment by **The Company** of performance of such **BM Unit(s)** as aforesaid, if **The Company** is of the reasonable opinion that any or all of the levels of **Response** set out in Appendix 1, Section B, Parts I, II and IV do not represent the true operating characteristics of such **BM Unit(s)**, then **The Company** shall so notify the **User** and the **Parties** shall discuss and agree consequential changes to the relevant part or parts of Appendix 1, Section B, Parts I, II and IV to reflect such true operating characteristics,

provided always that such complete data shall be submitted by the **User**, the assessment by **The Company** of the performance of such **BM Unit(s)** shall be completed and (where applicable) any

consequential changes to the relevant part or parts of Appendix 1, Section B, Parts I, II and IV shall be agreed by the Parties, in each case as soon as reasonably practicable and in any event no later than 6 months after the Commencement Date (or such later date as the Parties may agree in writing).]

5. NOT USED

~~5. RESTRICTIVE TRADE PRACTICES ACT~~

~~Any restriction or information provision (each of those terms having the same meaning in this Clause 5 as in the Restrictive Trade Practices Act 1976) contained in this **Mandatory Services Agreement** shall cease to have effect:-~~

- ~~(i) if a copy of this **Mandatory Services Agreement** is not provided to the Department of Trade and Industry ("DTI") within 28 days of the date on which this **Mandatory Services Agreement** is made; or~~
- ~~(ii) if, within 28 days of the provision of that copy to the DTI, the DTI gives notice of objection to the **Party** providing it.~~

6. GENERAL PROVISIONS

Paragraphs 6.12 (limitation of liability), 6.14 (transfer and sub-contracting), 6.15 (confidentiality), 6.18 (intellectual property), 6.19 (force majeure), 6.20 (waiver), 6.21 (notices), 6.22 (third party rights), 6.23 (jurisdiction), 6.24 (counterparts), 6.25 (governing law), 6.26 (severance of terms) and 6.27 (language) and Section 7 (dispute resolution) of the **CUSC** are incorporated into this **Mandatory Services Agreement** mutatis mutandis.

7. VARIATIONS

- 7.1 Subject to Sub-Clause 7.2, no variation to this **Mandatory Services Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.
- 7.2 **The Company** and the **User** shall effect any amendment required to be made to this **Mandatory Services Agreement** by the **Authority** as a result of a change in the **CUSC** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

8. NOTICES

For the purposes of this **Mandatory Services Agreement**, unless and until otherwise notified by the relevant **Party** to the other in accordance with Paragraph 6.21.1 of the **CUSC**, any notice or other

communication to be given by **The Company** or the **User** to the other under, or in connection with matters contemplated by, this **Mandatory Services Agreement** shall be sent to the following address and/or facsimile number and marked for the attention of the person named below:

The Company: Address: National Grid Electricity
Transmission plc
Network Operations
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

For the attention of: The Company Secretary

Facsimile number: 01926 655630

Copy to: Energy Operations Manager

Facsimile number: 01926 656612

User: Address:

For the attention of:

Facsimile number:

9. **BANK ACCOUNT DETAILS**

For the purposes of Paragraph 4.3.2.18 of the **CUSC**, unless and until otherwise notified by the relevant **Party** to the other in accordance with that Paragraph, details of each of the **Party's** bank accounts to which sums payable in connection with this **Mandatory Services Agreement** shall be paid are set out below:

| | | |
|---------------------|-----------------|-------------------|
| The Company: | Bank: | Barclays Bank plc |
| | Branch: | 54 Lombard Street |
| | Account Number: | 10264113 |
| | Sort Code: | 20-00-00 |
| User: | Bank: | [] |
| | Branch: | [] |

[10. **AGREEMENT TO AMEND THIS MANDATORY SERVICES AGREEMENT**

The **Parties** hereby acknowledge and agree that the terms of this **Mandatory Services Agreement** may require amendment to reflect the fact that the **Mandatory Services** are provided under this **Mandatory Services Agreement** from **Generating Units** within a **Power Park Module**, and that accordingly certain **Grid Code Connection Conditions** and other relevant requirements of the **Grid Code** and the **CUSC** applicable to **BM Unit(s)** may not apply to such **Generating Unit(s)** or may apply in a modified manner. The **Parties** shall discuss in good faith and endeavour to agree such amendments as soon as reasonably practicable and in any event no later than 6 months after the **Commencement Date** (or such later date as the **Parties** may agree in writing).]



National Grid House
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA

Abid Sheikh
Licensing and Industry Codes
Ofgem
3rd Floor
Cornerstone
107 West Regent Street
Glasgow
G2 2BA
(By Email)

Emma Clark
CUSC Modifications Panel
Secretary
Emma.clark@uk.ngrid.com
Direct tel +44 (0)1926 655223

1st February 2012
Reference: CMP205 Self-Governance Statement

www.nationalgrid.com

Dear Abid,

This is the CUSC Modifications Panel's Self-governance Statement to the Authority for CUSC Modification Proposal (CMP) 205. National Grid has prepared this Self-governance Statement on behalf of the CUSC Modifications Panel and submits it to you in accordance with CUSC Section 8.25.1.

On 27th January 2012 the CUSC Modifications Panel considered CMP205 and confirmed unanimously that it meets the Self-governance criteria.

As such, CMP205 is unlikely to unduly discriminate between different classes of CUSC 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 CUSC's governance procedures or the CUSC's modification procedures

In particular, the CUSC Modifications Panel believes that CMP205 is a non-contentious proposal to update the Mandatory Services Agreement in order for it to fully reflect current business practice.

The proposed timetable for the progression of CMP205 is as follows:

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| 3 February 2012 | Circulate Code Administrator Consultation |
| 24 February 2012 | Deadline for responses to Consultation |

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| 1 March 2012 | Draft CUSC Modification Report circulated |
| 8 March 2012 | Deadline for comment on draft CUSC Modification Report |
| 22 March 2012 | Submit final CUSC Modification Report to Panel Secretary |
| 30 March 2012 | CUSC Modifications Panel Vote |
| 20 April 2012 | Appeal window closes |
| 4 May 2012 | Implementation date. |

The CMP205 form Proposal is available at

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/currentamendmentproposals/>.

If you require any further information please do not hesitate to contact me.

Yours Sincerely,

Emma Clark
CUSC Modifications Panel Secretary.

CMP205 – Clarification to the Mandatory Services Agreement

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **24 February 2012** to cusc.team@uk.ngrid.com
Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Man Kwong Liu 01355 352731 Man.kwong.liu@uk.ibm.com |
| Company Name: | IBM UK Ltd for and on behalf of ScottishPower |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | ScottishPower agrees that the proposal better facilitates the applicable CUSC objectives (a) and (b). The changes update redundant areas and reflect current business practice; enable clarity and consistency, and will better facilitates industry understanding of the CUSC. |

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| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | Yes. |
| Do you agree with the decision to progress CMP205 through the Self-Governance route? | Yes. These changes relate to housekeeping and reflect operational practicality. |
| Do you have any other comments? | No. |

CMP205 – Clarification to the Mandatory Services Agreement

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Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Garth Graham (garth.graham@sse.com 01738 456000) |
| Company Name: | SSE |
| Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning. | <p><i>For reference, the Applicable CUSC Objectives are:</i></p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i></p> <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>We concur with Proposer that CMP205 does better facilitate the applicable CUSC Objectives (a) and (b) (for the reasons shown in paragraph 7.1 of the consultation document) and is neutral with respect to (c).</p> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | Yes. We support the proposed implementation approach as set out in section 6 of the consultation document. |
| Do you agree with the decision to progress CMP205 through the Self-Governance route? | Yes. We agree with the CUSC Panel that this CMP205 proposal be progressed through the Self-Governance route. |
| Do you have any other comments? | We have no further comments. |