

Stage 06: Final CUSC Modification Self-Governance Report

Connection and Use of System Code

CMP206 Requirement for NGET to provide and update year ahead TNUoS forecasts

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

This proposal seeks to modify the CUSC to require National Grid to publish a year ahead forecast of Transmission Network Use of System (TNUoS) charges and which will be updated at regular intervals.

Published on: 15th November 2012
Date of Self-governance 26th October 2012
Vote:
Implementation Date: 3rd December 2012



CUSC Modifications Panel Determination:

CMP206 better facilitates the Applicable CUSC Objectives and so should be implemented.



Medium Impact:

National Grid, Generators and suppliers



Low Impact:

Other CUSC parties

Contents



Any Questions?

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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 for CMP206 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	9 th October 2012	Code Administrator	Draft for Industry Comment
0.2	18 th October 2012	Code Administrator	Version for Panel Vote
0.3	29 th October 2012	Code Administrator	Draft for Panel Comment following the Self-governance vote
1.0	15 th November 2012	Code Administrator	Final Version for Publication

1 Summary

- 1.1 This document summarises the CMP206 Modification Proposal and summaries the Workgroup discussions.
- 1.2 CMP206 was proposed by Haven Power and submitted to the CUSC Modifications Panel for their consideration on 30th March 2012. The Panel determined that the proposal should be considered by a Workgroup and that they should report back to the CUSC Modifications Panel following a period for the Workgroup Consultation.
- 1.3 CMP206 seeks to modify the CUSC to require National Grid to publish a year ahead forecast of Transmission Network User of System (TNUoS) charges at more regular intervals.
- 1.4 The Workgroup held two meetings in May and June 2012. At the initial meeting the members accepted the Terms of Reference (TOR) a copy of which can be found in Annex 1. The Workgroup considered the issues raised by the CUSC Modification Proposal and these discussions are summarised in Section 4 of this document. The Workgroup discussed various publications that National Grid already produces during the year e.g. Condition 5 Report, the 150 Day Notice, Draft Notice of Tariffs, and Final Notice of Tariffs. The Workgroup considered that updates to the TNUoS charges should be published four times a year and be similar to the information contained in Tariff Information Paper entitled: "Initial view of TNUoS tariffs for 2013/2014".
- 1.5 The Workgroup Consultation closed on 27th July 2012 and 7 responses were received. The Workgroup held a meeting in August 2012 to discuss the responses. These responses can be found in Annex 5. A final Workgroup vote was held on 12th September 2012 and the 8 Workgroup members voted unanimously that CMP206 better meets the Applicable CUSC Objectives and so should be implemented. Further details of the Workgroup vote can be found in Section 7.
- 1.6 The Code Administrator Consultation closed on the 4th October 2012 and six responses were received all responses supported the implementation of CMP206. Copies of the representations are included in Annex 6.
- 1.7 On 18 October 2012, Ofgem directed that CMP206 be treated as Self-Governance. This letter can be found in Annex 7 of this report.
- 1.8 This Final Modification Report has been prepared in accordance with the Terms of the CUSC. An electronic copy can be found on the National Grid Website, www.nationalgrid.com/uk/Electricity/Codes/, along with the CUSC Modification Proposal Form.

National Grid's View

- 1.9 National Grid supports the implementation of CMP206 as it improves both the transparency and predictability of TNUoS charges for customers. This will enable customers to make efficient decisions on pricing structures which will improve competition and ultimately benefit the end consumer. The proposal is consistent with feedback we have received from our RIIO-T1 stakeholder engagement, and aligns with our increasing the level of information being published within our Condition 5 forecast of future TNUoS tariffs.



Charging Information

This link to National Grid's website contains information designed to help customers understand aspects of National Grid's charges: <http://www.nationalgrid.com/uk/Electricity/Charges/usefulinfo/>



Condition 5

This link to National Grid's website contains information on Condition 5 – Long Term Tariff Publications.

<http://www.nationalgrid.com/uk/Electricity/Charges/gbchargingapprovalconditions/5/>

Workgroup Conclusion

1.10 The Workgroup voted unanimously that CMP206 better facilitates the Applicable CUSC Objectives. Full details of the Workgroup vote are contained within Section 7 of this document.

CUSC Modifications Panel Self-Governance Vote

1.11 The CUSC Modifications Panel voted unanimously that CMP206 better facilitates the Applicable CUSC Objectives. Full details of the vote can be found in Section 7 of this report.

1.12 The 15 working day Appeal Window opened following the Panel Vote on 26 October 2012 and closes on 16 November. Further to this, pending any appeals raised, CMP206 will be implemented on 3 December 2012.

2 Why Change?

- 2.1 National Grid Electricity Transmission plc (NGET) currently sets the Transmission Network Use of System (TNUoS) tariffs for generators and suppliers to fulfil its Section 14 CUSC obligation¹. These tariffs serve two purposes to provide - a locational signal to customers about the transmission cost of connecting in different parts of the country and to recover the total costs of the onshore and offshore transmission owners.
- 2.2 Currently, National Grid publishes a number of documents and notices throughout the year which forecast or set tariffs for the oncoming or future formulae year:

Table 1:

Publication	Date	Obligation
Condition 5 Report	Once per annum, no set date	Condition attached on approval of GB TNUoS Charging methodology March 2005
150 day notice	Annually, by 1 st November	Transmission Licence Standard Condition C4
Draft Notice of Tariffs	~Christmas	No specific obligation but now standard practice
Final Notice of Tariffs	31 st January	CUSC 3.14.3

- 2.3 By seeking the CUSC obligation to publish further updates to forecast TNUoS tariffs the aim will be to increase the visibility of the latest view of forecast TNUoS tariffs. It is the industry's view that recent changes notified by NGET for both generation and demand tariffs for 2012/2013 have been substantially different from the previous year's tariffs. Although NGET provides the Transport model, to enable users to estimate future tariffs and perform sensitivity analysis, smaller participants do not have the resources to do this. By requiring NGET to provide year-ahead forecast tariffs and to regularly update the forecast as the tariff year approaches users will be able to gain an adequate view of the changes to charges the industry is likely to face.

¹ Section 14 CUSC: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/contracts/>

3 Solution

- 3.1 CMP206 proposes further published updates to the year-ahead TNUoS tariffs at least four times a year in a similar format to the Tariff Information Paper entitled: “Initial view of TNUoS tariffs for 2013/2014”².

² www.nationalgrid.com/uk/Electricity/Charges/gbchargingapprovalconditions/5/



CMP206 Presentation

The presentation slides used at the first Workgroup meeting are available on National Grid's website at the link below:

<http://www.nationalgrid.com/NR/rdonlyres/E68468F1-8EE2-4BF4-BE90-E9514F1F4E6D/52816/HavenPowerSlides.pdf>



Project TransmiT

Information relating to Project TransmiT can be found on Ofgem's website using the link below:

<http://www.ofgem.gov.uk/NETWORKS/TRANS/PT/Pages/ProjectTransmiT.aspx>



What is the Transport Model?

TNUoS charges are calculated by National Grid using two models – the Transport Model and the Tariff Model. These models are available free of charge to the industry, upon signature of a licence agreement. If you would like a copy, please contact charging.enquiries@uk.ngrid.com

Presentation of Proposal

- 4.1 The Haven representative, as Proposer, gave a presentation on CMP206 at the first meeting and gave the background as to why it had been raised, a copy of the Proposal can be found in Annex 2. By updating the year-ahead TNUoS forecasts on a more regular basis, the aim will be to increase the visibility of the latest view of future TNUoS tariffs and identification of any trends. The Proposer's slides are available on National Grid's website (please see the information box for the link). The Workgroup then worked through the scope of work listed in the Terms of Reference.

Workgroup Discussion

- 4.2 NGET sets TNUoS tariffs for demand and generation. The resulting charges reflect the use customers make of the network and the impact they have on it. In order that customers can appropriately respond to transmission charges NGET already produces a variety of tariff forecasts, as summarised in section 2.
- 4.3 The Workgroup identified a number of areas which could potentially have a future impact on the TNUoS tariffs, in particular Project TransmiT. Its aim is to take into account the changing use of the transmission network and facilitate the move to a low carbon energy sector. To do this Ofgem have consulted on a number of alternative charging approaches including some form of non-locational socialised charging or enhancing the current locational charging arrangements. Ofgem published a direction on 25th May 2012 to NGET to raise a CUSC Modification Proposal to implement the Project TransmiT conclusions, which was subsequently done in June 2012. The Workgroup members highlighted that any changes to charging arrangements need to be signalled to the industry as soon as possible in order for suppliers to reflect the impact into their pricing and contracts.
- 4.4 The Workgroup discussed the mechanism via which NGET calculates the tariffs and the current publications which are issued to the industry. The Workgroup agreed that they were not seeking to change the charging methodology but were requesting further regular updates on year-ahead forecast TNUoS tariffs. In summary, to provide information about the cost of connecting in different parts of the network, NGET determines a locationally varying component of TNUoS tariffs using a DC load-flow model. This model considers the impact of increased generation and demand on power flows at peak demand. Where this leads to an increase in power flows, it results in tariff increases to reflect the need to invest to accommodate the changes. A further component within the tariff enables onshore and offshore transmission owners to include revenue recovery in line with their price controls.
- 4.5 The Workgroup discussed the various inputs into the model which are described within Section 14 of the CUSC, some of which are detailed below:

Data	Source	Published	Obligation
Generation data	Seven Year Statement	Annually, with quarterly updates	Contracted background
Demand data ("week 24" data)	DNOs	Week 24	Grid Code
Other TO Revenue	Offshore and onshore TOs	Various	STC, Licence

Circuit Data	Seven Year Statement	Base year annually, draft based on contracted background	Licence
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The Workgroup noted that various data inputs become available during the year from different data sources, such as – DNOs, and other Transmission Owners, whilst other data inputs are based on published documents. As a consequence some data items may change throughout the process where other data items are static. The NGET representative advised that they are planning to discuss information updates with Transmission Owners with the aim of aligning them to the proposed updates.

- 4.6 The Workgroup discussed various publications that NGET already produces during the year as detailed Table 1. Following a review of the current publications and data availability, the Workgroup proposed that a further two forecast updates would be beneficial: an update to be issued around April following the generator Transmission Entry Capacity (TEC) submissions and an update in July to coincide with the DNO week 24 demand data submission. This would result in the industry receiving an update four times a year when including the existing publications. The Workgroup recognised that some information may be commercially sensitive and therefore concluded that the updates should make it clear what assumptions have been used. In the event information has not been received, the Workgroup requested that updates be issued but the information caveated. In response to a Workgroup member, the NGET representative confirmed that “Waterfall Diagrams” may also be used in the updates as these are already used in presentations to provide updates on tariffs at the Transmission Charging Methodologies Forum (TCMF), which takes place every other month. Table 2 outlines the existing publications and those proposed.

Table 2:

Publication	Date	Obligation
Condition 5 Report	Once per annum, no set date	Condition attached on approval of GB TNUoS Charging methodology March 2005
Proposed Forecast update	approx annually by end April	proposed update
Proposed Forecast update	approx annually by end July	proposed update
150 day notice	Annually, by 1 st November	Transmission Licence Standard Condition C4
Draft Notice of Tariffs	~Christmas	No specific obligation but now standard practice
Final Notice of Tariffs	31 st January	CUSC 3.14.3

- 4.7 The Workgroup requested that a conference call should be scheduled once the tariff updates are issued. The Workgroup explored whether it would be appropriate for an update meeting to be scheduled to follow the existing Transmission Charging Methodologies Forum (TCMF) meetings. The Workgroup concluded that the conference call would be more appropriate as the audience is different to those who attend the TCMF. The Workgroup

agreed that industry parties could submit questions prior to the meeting for discussion. The Workgroup considered that an annual timetable for publication of the updates and meetings should be made available to the industry possibly via the Condition 5 report and this could be agreed at the CUSC Panel. The Workgroup's view was that this element of the solution should not become an obligation within the CUSC. All respondents to the Workgroup Consultation agreed that a conference call would be beneficial to users and noted that a similar process takes place under the DCUSA following their quarterly DNUoS tariff forecast updates and has proved beneficial and useful.

Consider CMP206 against the Self-governance criteria

4.8 The Workgroup considered the following Self-governance criteria:

"Self-governance criteria" means a proposal that, if implemented,

a. is unlikely to have a material effect on:

- (i) existing or future electricity consumers; and
- (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
- (iii) the operation of the national electricity transmission system; and
- (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (v) the CUSC's governance procedures or the CUSC's modification procedures, and

b. is unlikely to discriminate between different classes of CUSC parties

4.9 Some of the Workgroup were of the opinion that all Modifications would have a material impact. Other members felt that this is subjective depending upon how the Modification impacts the Party. However, increased visibility of the forecasts would have a positive impact for customers and competition. The Workgroup reflected that when the Code Governance Review was implemented it was anticipated that more Modifications would follow the Self-governance route, other than housekeeping Modifications. The Workgroup discussed that the Self-governance route could prove quicker, as the Authority would not be required to make a decision on the modification proposal and the CUSC Panel would instead make a determination. The Workgroup noted that the equivalent DUCSA Proposal (DCP126) was at present deemed not to be a Self-governance Modification. The chair advised that the CUSC Panel considered that CMP206 did not meet the Self-governance criteria. Initially, although six Workgroup members felt that CMP206 did not meet the Self-governance criteria, 3 of them would have preferred this Modification to have progressed using that route as they felt it would be more efficient

4.10 There were mixed views from the Workgroup Consultation respondents regarding Self-governance. Some felt that CMP206 does meet the Self-governance criteria but that the current criteria is restrictive and can be interpreted differently. In conclusion, the general consensus at the post-consultation Workgroup meeting was that Members felt that CMP206 should be progressed as Self-governance but that they were not sure that it could be under the current criteria.

Consider the Transmission Price control Review in terms of the SO incentive

4.11 The Workgroup confirmed that there was no impact in terms of the SO incentives and that this element of the Workgroup's Terms of Reference should refer to the interaction with the Transmission Price Control Review/ RIIO. The Workgroup recognised that the price control process will naturally create an element of uncertainty over future revenue recovery, but reiterated that the industry would like to know the impact and changes of RIIO as soon as possible so that suppliers can take account of these in their pricing tariffs.

4.12 The Workgroup explored whether there would be any cost implications associated with implementing the proposed solution. The NGET representative was of the view that producing two further forecast tariff updates, detailing what information has been changed, the effect on tariffs of this change, as well as limited scenario analysis relating to the information still to be updated would not have any significant costs associated with it. This is work already being undertaken internally throughout the year in preparation for the publication of Draft and Final Tariffs. The Workgroup considered that any benefits derived from this proposal would outweigh any additional costs. All respondents to the Workgroup Consultation felt that CMP206 would not incur any costs to parties other than NGET.

Consider the likely costs for NGET and the benefits for the industry

4.13 Although NGET provides the transport model to enable users to estimate future tariffs and perform sensitivity analysis smaller participants do not have the resources to do this. By requiring NGET to provide year-ahead forecast tariffs, and to regularly update the forecast as the tariff year approaches will, enable users to gain an adequate view of the changes to charges the industry is likely to face. The Workgroup summarised the benefits of this Proposal as the following:

- Visibility of the latest view of future TNUoS tariffs will aid generators' forecasting, with a clear understanding of what has been updated
- Will enable the industry to identify trends earlier especially in relation to the tariff level and geographic spread
- Transparency of information aids those who pay TNUoS charges and end consumers

Consider the scope of the Condition 5 Report in relation to TNUoS forecasts

4.14 The Workgroup considered the Condition 5 report which provides a five year TNUoS forecast and confirmed that a year-ahead forecast of TNUoS tariff updates four times a year was sufficient. The Workgroup confirmed with the NGET representative that the transport model was updated following publication of the Condition 5 report and requested that this also be done following each of the updates. The NGET representative agreed that this was feasible.

Consider the scope for linking when the forecasts are provided

4.15 As stated in the Workgroup discussions, following a review of the current publications and data availability, the Workgroup proposed that a further two updates would be beneficial. These would be an update to be issued around April following the generator TEC submissions and an update in July to coincide with the DNO week 24 demand data submission.

Consider the consistency with the like-for-like DCUSA Proposal

4.16 The Workgroup considered it would be beneficial to review the DCUSA recommendations with regard to increasing the frequency of DNO data submissions. However, the DCUSA change proposal DCP126 was still out to industry consultation when the CMP206 Workgroup held its final meeting and the Workgroup agreed to close this item rather than delay their work until the DCUSA recommendation was forthcoming.

Workgroup Alternative CUSC Modifications

4.17 The Workgroup did not propose any Workgroup Alternative CUSC Modifications to the original proposal.

Legal Text

4.18 At the post-consultation Workgroup meeting, the Workgroup reviewed the draft legal text which included an obligation for NGET to prepare and update a forecast of TNUoS in accordance with the Tariff Forecast Timetable, and also a definition for the Tariff Forecast Timetable. The Workgroup discussed whether there was a need to define the reference forecast as it could be seen as being too vague due to the lack of timescales. The group considered referencing the Condition 5 Report or the 150 day statement. The group discussed a link in the legal text to CMP207 (Limit increased to TNUoS tariffs to 20% in any one year), in that the intent of CMP206 is to improve TNUoS tariffs and therefore there may be some merit in recognising this under Section 14.28 on Stability and Predictability of TNUoS tariffs.

The Proposer felt that the legal text needs to be clear in terms of which year the forecasts refer to, and the rest of the group agreed with this sentiment.

The draft legal text can be found in Annex 3 of this document. In addition to the changes illustrated in Section 3, it should be noted that consequential renumbering of the remaining paragraphs within section 3 will be required in addition to the numbering within the contents page.

5 Impacts

Impact on the CUSC

- 5.1 CMP206 requires amendments to the following parts of the CUSC:
- Section 3
 - Section 11
 - Section 14
- 5.2 The text required to give effect to the Original Proposal is contained in Annex 3 of this document.

Impact on Greenhouse Gas Emissions

- 5.3 Neither the proposer nor the Workgroup identified any material impact on Greenhouse Gas emissions.

Impact on Core Industry Documents

- 5.4 Neither the proposer nor the Workgroup identified any impacts on Core Industry Documents.

Impact on other Industry Documents

- 5.5 The existing 150 day statement will still be produced as per our obligation but will contain enhanced detail on forecast tariffs when compared to historical publications of this statement.

6 Proposed Implementation

- 6.1 The Workgroup concluded that CMP206 should be implemented 10 Working Days after an Authority Decision.
- 6.2 All respondents to the Code Administrator Consultation supported this approach, with some respondents requesting the informal publication of information ahead of the implementation date if possible.
- 6.3 Following Ofgem's direction for CMP206 to be treated as Self-governance, the Code Administrator proposed that CMP206 should be implemented 10 working days after the Self-Governance appeal window has closed.

7 Views

Workgroup Conclusion

- 7.1 On 12th September 2012 the Workgroup voted unanimously that CMP206 better facilitates the Applicable CUSC Objectives and so should be implemented. Details of these can be found in the tables below.
- 7.2 For reference the CUSC Objectives are:
- (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;
 - (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.
 - (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Whether CMP206 better facilitates the Applicable CUSC Objectives

	(a)	(b)	(c)
Antony Badger	Neutral.	Yes, more information provides for better competition.	Neutral.
Damian Clough	Yes, improves efficiency, due to the additional information within 150 days notice.	Yes, can be used to increase competition.	Neutral.
Jon Wisdom	Neutral.	Yes, it will improve competition.	Neutral.
Esther Sutton	Yes, slight improvement.	Yes, it will be beneficial to competition.	Neutral.
Garth Graham	Neutral.	Yes, for reasons already stated.	Neutral.
Rob Hill	Yes, marginally improves efficiency.	Yes, same as above.	Neutral.
Simon Vicary	Neutral.	Yes, same as above.	Neutral.

James Anderson	Neutral.	Yes, same as above.	Neutral.
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Which option BEST facilitates achievement of the Applicable CUSC Objectives? (CUSC Baseline or CMP206 Original)

Name	Preference
Antony Badger	CMP206
Damian clough	CMP206
Jon Wisdom	CMP206
Esther Sutton	CMP206
Garth Graham	CMP206
Rob Hill	CMP206
Simon Vicary	CMP206
James Anderson	CMP206

National Grid's Opinion

7.2 National Grid supports the implementation of CMP206 as it improves both the transparency and predictability of TNUoS charges for customers. This will enable customers to make efficient decisions on pricing structures which will improve competition and ultimately benefit the end consumer. The proposal is consistent with feedback we have received from our RIIO-T1 stakeholder engagement, and aligns with our increasing the level of information being published within our Condition 5 forecast of future TNUoS tariffs

CUSC Modifications Panel Determination Vote

7.3 The CUSC Modifications Panel voted unanimously that CMP206 better facilitates the Applicable CUSC Objectives. Full details of the vote are found below:

	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (C)	Overall (Y/N)
Simon Lord	Yes, it enables National Grid to meet its licence objectives.	Yes, it facilitates competition.	Neutral.	Yes.
James Anderson	Yes.	Yes.	Neutral.	Yes.
Paul Mott	Yes.	Yes.	Neutral.	Yes.
Bob Brown	Yes.	Yes.	Neutral.	Yes.
Michael Dodd	Neutral.	Yes.	Neutral.	Yes.
Paul Jones	Neutral.	Yes.	Neutral.	Yes.
Ian Pashley	Yes, a slight positive.	Yes.	Neutral.	Yes.
Garth Graham	Yes.	Yes it best meets this objective.	Neutral.	Yes.
Duncan Carter	Yes, slightly better facilitates Objective (a).	Yes, it reduces risk to parties.	Neutral.	Yes.

8 Workgroup Consultation Responses

8.1 7 responses were received to the Workgroup Consultation. These responses are contained with Annex 5 of this report. The following table provides an overview of the representations received:

Company	Initial Views	Views against ACOs	Implementation
Smartest Energy Ltd	Generally supportive.	Yes on (a) Yes on (b).	Yes.
Scottish Power Energy Management Ltd	Supportive.	<i>No response.</i>	Yes.
Gazprom Energy	Supportive – Allows suppliers to have better sight of future TNUoS costs. This will promote competition.	Yes on (b) -Suppliers will be able to forecast and price contracts more accurately.	Yes.
SSE	Supportive – benefits competition.	Yes on (a) Yes on (b) CMP206 does better facilitate (a) and (b) for the reasons set out in paragraph 7.1 and, of these, the reasoning associated with (b) is more compelling than (a) Neutral on (c).	Broadly supports implementation timescales of 10 working days. Slight concern over how this might interact with proposed timescales for 5 items in table 2.
Haven Power Limited	Supportive – would like to see the timing of the publication in relevant legal text for CMP206.	Yes on (a) CMP206 would provide for more effective discharge of the Company's obligation under the transmission licence which relate to provision of details of use of system charges for which a user would become liable through the provision of relevant forecast information. Yes on (b) Enable users to improve the accuracy of their forecasts and assessments, which should lead to more informed business plans and pricing strategies. Users would also fact less uncertainty with respect to future changes in use of system charges and so be exposed to less risk.	Supportive – would like to see CMP206 take affect 2013 for 2014/15 charging year.
EDF Energy	Supportive.	Yes on (a) through provision of improved details of Use of System Charges under the licence, including publication of relevant forecast information. Yes on (b). Enable grid users to improve the accuracy of their own TNUoS forecasts and assessments. The forecasts would also enable all companies to be on a more equal footing with	Yes.

		<p>respect to likely future TNUoS charges. New entry should be facilitated both by reduced cost of capital due to de-risking, and by the ease of access to good quality information about future TNUoS.</p> <p>Neutral on (c).</p>	
RWEnpower Ltd	Supportive.	<p>Yes on (b) - The effectiveness of competition is in part informed by the transparency of the marketplace. As this modification will increase transparency to all participants. In addition NG could take steps to publish this information prior to the mod being implemented to assist in market transparency for the April 2013 charging statements.</p>	<p>Yes. – ask that informal steps be taken to publish information ahead of time.</p>

9 Code Administrator Consultation Responses

9.1 The following table provides a summary of the responses received to the Code Administrator Consultation. The full responses can be found in Annex 6.

No.	Respondent	Support	Better facilitates Applicable CUSC Objectives	Self Governance Criteria
1.	EDF Energy	Yes.	Yes under (a) and (b) Neutral (c).	Ideal modification to go through Self-governance, low implementation costs.
2.	RWEpower	Yes.	Yes through providing additional transparency.	Recommend that Self-governance is used to determine outcome.
3.	ScottishPower	Yes.	Yes under (b).	Falls within the spirit of Self-governance.
4.	Haven Power Ltd	Yes.	Yes under (b).	Does not believe that CMP206 meets Self-governance criteria as currently written, but CMP206 is the type of change that should follow the Self-governance route.
5.	SmartestEnergy	Yes.	Yes (a) and (b).	Should follow the Self-governance route.
6.	SSE	Yes.	Yes under (a) and (b) but more compelling for (b), neutral for (c).	Does not meet the Self-governance criteria set out in the CUSC.

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR CMP206 WORKGROUP

Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal CMP206 'Requirement for National Grid Electricity Transmission to provide and update year ahead TNUoS forecasts' tabled by Haven Power at the CUSC Modifications Panel meeting on 30 March 2012.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence; and
 - (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.
 - (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
 - a) Consider CMP206 against the Self-governance criteria
 - b) Consider the Transmission Price Control Review in terms of the SO Incentives Scheme
 - c) Consider the likely costs for NGET and the benefits for the industry
 - d) Consider the scope of the Condition 5 Report in relation to TNUoS forecasts
 - e) Consider the scope for linking when the forecasts are provided
 - f) Consider the consistency with the like-for-like DCUSA Proposal
 - g) Review the illustrative legal text

6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of 3 weeks as determined by the Modifications Panel.
11. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary on 23 August 2012 for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on 31 August.

Membership

13. It is recommended that the Workgroup has the following members:

Role	Name	Representing
Chairman	Alex Thomason	Code Administrator
National Grid Representative*	Damian Clough	National Grid
Industry Representatives*	James Anderson	ScottishPower Energy Management
	Simon Vicary	EDF Energy
	Jonathan Wisdom	RWE npower
	Rob Hill	First Utility
	Garth Graham	SSE
	Antony Badger	Haven Power
	Esther Sutton	E.ON
Authority Representatives	Abid Sheikh	Ofgem
Technical secretary	Louise McGoldrick	Code Administrator
Observers		

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP206 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise]. There may be up to three rounds of voting, as follows:
- Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
 - Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
 - Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.

17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

Appendix: Indicative Workgroup Timetable

The following timetable is indicative for the CMP206 Workgroup.

W/C 16 April	Send out WG nominations
15 May	First Workgroup meeting
W/C 28 May	Second Workgroup meeting
W/C 11 June	Third Workgroup meeting (if required)
25 June	Issue draft Workgroup Consultation for Workgroup comment (5 working days)
2 July	Deadline for comments on draft Workgroup Consultation
5 July	Publish Workgroup consultation (for 3 weeks)
26 July	Deadline for responses to Workgroup consultation
W/C 30 July	Post-consultation Workgroup meeting
09 August	Circulate draft Workgroup Report
16 August	Deadline for comment on Workgroup report
23 August	Submit final Workgroup report to Panel Secretary
31 August	Present Workgroup report to CUSC Modifications Panel

CUSC Modification Proposal Form	CMP206
<p>Title of the CUSC Modification Proposal:<i>(mandatory by Proposer)</i> Requirement for National Grid Electricity Transmission to provide and update year ahead TNUoS forecasts</p>	
<p>Submission Date <i>(mandatory by Proposer)</i> 2 April 2012</p>	
<p>Description of the CUSC Modification Proposal<i>(mandatory by Proposer)</i></p> <p>This proposal would require National Grid Electricity Transmission (NGET) to publish a year ahead forecast of Transmission Network Use of System (TNUoS) charges. The forecasts would also be updated at regular intervals during the year (for example every three months) and would be specified to the same level of detail as current notifications of final tariff charges. For example, forecasts of 2013-14 TNUoS charges would be published, say, in May, August and November of 2012 and February in 2013.</p> <p>This new CUSC requirement would be in addition to the notifications already required under NGET's transmission licence.</p>	
<p>Description of Issue or Defect that the CUSC Modification Proposal seeks to Address:<i>(mandatory by proposer)</i></p> <p>The notices of indicative charges and final use of system charges provided by NGET are insufficient to enable users to gain an adequate view of the changes to charges they are likely to face.</p> <p>Changes notified by NGET for both generation and demand tariffs for 2012-13 have been very substantial and in many instances could cause price shocks. For example, the non locational residual generation tariff will rise by over 17%, with zonal tariff changes of between -53% and +248%. Half hourly demand tariff will rise by between 6% and 64%, and non half hourly by between 9% and 67% dependent on zone.</p> <p>Further, the changes that may occur as a result of moving to the RIIO price control framework and any changes arising from the Project Transmit Significant Code Review of transmission charges also create the risk of changes where the impacts need to be signalled with as much notice as possible so suppliers can take these into account in their pricing and tariffs.</p> <p>Currently NGET is required under its transmission licence to give the Authority 150 days' notice of its intention to change use of system charges together with a reasonable assessment of the proposals on those charges; and to give users two month's written notice of any revised charges. It typically provides an additional month's notice of revised charges through the publication of "indicative" tariffs.</p> <p>It is also required to provide a five year TNUoS forecast—the so-called—Condition 5 Statement but these indications are fraught with uncertainty and anyway do not include key elements of the charge structure.</p> <p>The CUSC states (14.14.8) that in setting and reviewing use of system charges NGET should, amongst other things, inform existing users and potential new entrants with accurate and stable cost messages.</p> <p>In the proposer's view these current arrangements do not provide users with information in a sufficiently timely way to understand their likely liability to charges.</p> <p>The proposer recognises that NGET provides the tariff model to enable users to estimate future tariffs and perform sensitivity analysis. However, many smaller participants do not have the resources to devote to this; this facility should support, not displace, the requirement to inform users. Therefore the proposed amendment seeks to require NGET to provide accurate year-ahead forecast of tariffs and to regularly update that forecast as the tariff year approaches.</p>	

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

The proposal would introduce an additional requirement in the CUSC for NGET to produce regularly updated forecasts of use of system charges for the following financial year.

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)*

No

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

N/A

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.

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

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

The proposer has raised a similar DCUSA proposal to require Distribution Network Operators to provide tariff forecasts one year ahead of the charging year which are regularly updated up to the year start.

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

(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.

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

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

Full justification:

The proposal would allow The Company to better meet objective (a) as it would provide for the more effective discharge of The Company's obligation in SC4 paragraph 2(i) of the Transmission Licence (provision of details of Use of System Charges for which a user would become liable through the provision of relevant forecast information.

The proposal would better facilitate applicable objective (b) because it would enable users to improve the accuracy of their own forecasts and assessments, which should lead to more informed business plans and pricing strategies. Users would also face less uncertainty with respect to future changes in use of system charges and so be exposed to less risk. Both these factors should facilitate competition in the supply market. The forecasts would enable all companies to be on an equal footing with respect to the information on future charges.

The proposal would be neutral in respect of applicable objective (c).

Details of Proposer: (Organisation Name)	Haven Power Limited
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:	Antony Badger Haven Power 01473 707182 antony.badger@havenpower.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Nigel Cornwall Cornwall Energy 01692 407865 nigel@cornwallenergy.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	

For ease of reference, the proposed deleted text is shown in red strikethrough, and any proposed additional text is shown in blue font. Only the relevant paragraphs have been included rather than the entire contents of each section. Subsequent paragraph numbers and any reference to these, along with the numbering in the Contents Page, will be amended accordingly.

Section 3

CONTENTS

PART IIB - TRANSMISSION NETWORK USE OF SYSTEM CHARGES

- 3.10 Data Requirements
- 3.11 Variation of Forecasts during the Financial Year
- 3.12 Validation of Demand Forecasts
- 3.13 Reconciliation Statements
- 3.14 Revision of Charges

PART IIC - BALANCING SERVICES USE OF SYSTEM CHARGES

3.15 Forecast of Transmission Network Use of System Charges

- 3.1~~56~~ Introduction
- 3.1~~67~~ Reconciliation
- 3.1~~78~~ [No heading]
- 3.1~~89~~ [No heading]
- 3.~~19~~20 Reconciliation Payments
- 3.2~~01~~ Revision of Charges

Forecast of Transmission Network Use of System Charges

- 3.15 Each Financial Year The Company shall prepare and update its forecast of Transmission Network Use of System Charges in accordance with the TNUoS Tariff Forecast Timetable**

Section 11

"Third Party Works"

in relation to a particular **User** those works, defined as such in its **Construction Agreement**; being works undertaken on assets belonging to someone other than **The Company** or the **User** where such works are required by **The Company** to enable it to provide the connection to and/or use of the **National Electricity Transmission System** by the **User** or required as a consequence of connection to and/or use of the **National Electricity Transmission System** by the **User**;

TNUoS Tariff Forecast Timetable

an annual timetable prepared and published by **The Company** by the end of January of each **Financial Year** (t) which sets out when **The Company** will publish updates in **Financial Year** (t+1) (being not less than quarterly) to the forecast of **Transmission Network Use of System Charges** for the **Financial Year** (t+2).

"Total System"

the **National Electricity Transmission System** and all **User Systems** in **Great Britain** and **Offshore**;

Section 14

14.28 Stability & Predictability of TNUoS tariffs

Predictability of tariffs

The Company revises TNUoS tariffs each year to ensure that these remain cost-reflective and take into account changes to allowable income under the price control and RPI. There are a number of provisions within The Company's Transmission Licence and the CUSC designed to promote the predictability of annually varying charges. Specifically, The Company is required to give the Authority 150 days notice of its intention to change use of system charges together with a reasonable assessment of the proposals on those charges; and to give Users 2 month's written notice of any revised charges. The Company typically provides an additional months notice of revised charges through the publication of "indicative" tariffs. Shorter notice periods are permitted by the framework but only following consent from the Authority.

These features require formal proposals to change the Transmission Use of System Charging Methodology to be initiated in October to provide sufficient time for a formal consultation and the Authority's veto period before charges are indicated to Users.

More fundamentally, The Company also provides Users with the tool used by The Company to calculate tariffs. This allows Users to make their own predictions on how future changes in the generation and supply sectors will influence tariffs. Along with the price control information, the data from the Seven Year Statement, and Users own prediction of market activity, Users are able to make a reasonable estimate of future tariffs and perform sensitivity analysis.

To supplement this, The Company also prepares an annual information paper that provides an indication of the future path of the locational element of tariffs over the next five years. This analysis is based on data included within the Seven Year Statement. This report typically includes:

- an explanation of the events that have caused tariffs to change;
- sensitivity analysis to indicate how generation and demand tariffs would change as a result of changes in generation and demand at certain points on the network that are not included within the SYS;
- an assessment of the compliance with the zoning criteria throughout the five year period to indicate how generation zones might need to change in the future, with a view to minimising such changes and giving as much notice of the need, or potential need, to change generation zones; and
- a complete dataset for the DCLF Transport Model developed for each future year, to allow Users to undertake their own sensitivity analysis for specific scenarios that they may wish to model.

The first year of tariffs forecasted in the annual information paper are updated twice throughout the proceeding financial year as the various Transport and Tariff model inputs are received or amended. These updates are in addition to the Authority 150 days notice and publication of “indicative” tariffs.

In addition, The Company will, when revising generation charging zones prior to a new price control period, undertake a zoning consultation that uses data from the latest information paper. The purpose of this consultation will be to ensure tariff zones are robust to contracted changes in generation and supply, which could be expected to reduce the need for re-zoning exercises within a price control period.

Annex 4 - Workgroup Attendance Register

Name	Organisation	Role	24/5/12 Attended	12/6/12 Attended	06/8/12 Attended	12/9/12 Attended
Alex Thomason	National Grid	Chairman	Yes	Yes	No*	Yes
Louise McGoldrick	National Grid	Technical Secretary	Yes	Yes	No**	Yes
Damian Clough	National Grid	National Grid representative	Yes	Yes	Yes	Yes
Abid Sheikh	Ofgem	Authority representative	Teleconf	Teleconf	Teleconf	No
Anthony Mungall	Ofgem	Authority representative	No	No	No	Yes
Antony Badger	Haven Power	Workgroup Member	Yes	Yes	Yes	Yes
Esther Sutton	E.ON	Workgroup Member	Yes	Yes	Yes	Yes
Rob Hill	First Utility	Workgroup Member	Yes	Yes	Yes	Yes
Simon Vicary	EDF Energy	Workgroup Member	Yes	Yes	Yes	Yes
James Anderson	ScottishPower Energy Management	Workgroup Member	Yes	Yes	No	Yes
Garth Graham	SSE	Workgroup Member	Yes	Yes	Yes	No
Jonathan Wisdom	RWE npower	Workgroup Member	No	Yes	Yes	Yes
George Douthwaite	RWE npower	Alternative Workgroup Member	Yes	No	No	No

* Ian Pashley covered position of Workgroup Chair in place of Alex Thomason

** Emma Clark covered position of Technical Secretary in place of Louise McGoldrick.

Annex 5 - Workgroup Consultation Responses

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	Paul Mott
Company Name:	EDF Energy
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	We support the change proposal to provide and update year ahead TNUoS forecasts. This will help all parties, from whom TNUoS charges are recovered, to improve the accuracy of their forecasts, leading to better informed business plans and pricing strategies. All parties would also face less uncertainty with respect to future changes in TNUoS charges.
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<p>We believe that CMP206 would better facilitate applicable objective (a) - the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence – through provision of improved details of Use of System Charges under the licence, including publication of relevant forecast information.</p> <p>We also believe that CMP206 would better facilitate objective (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 is because it would enable grid users to improve the accuracy of their own TNUoS forecasts and assessments, which should lead to more informed business plan. By de-risking generation and supply a little, Users would be able to finance their operations a little easier, at a lower cost of capital due to reduction in TNUoS cost risk. The forecasts would also enable all companies, including smaller ones that are less able to undertake TNUoS modelling (or maintain required datasets for that activity), to be on a more equal footing with respect to likely future TNUoS charges. New entry should be facilitated both by reduced cost of capital due to de-risking, and by the ease of access to good quality information about future TNUoS.</p> <p>CMP208 appears to be neutral in respect of objective (c) - compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</p>

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you have any other	No

comments?	
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No

Specific questions for CMP206

Q	Question	Response
1	Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published is beneficial for users of the transmission network?	Yes. The proposed timetable for publication of tariff updates is sensible; a conference call explaining the update shortly after one is published is important to allow questions to be asked for clarification. The conference calls for the DCP066 publications under DCUSA have proved to be an important part of the process, and very beneficial to all parties.
2	Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	Yes. CMP 206 would be an ideal modification to go through self-governance, as there is cross industry support with a low implementation cost. As the self governance rules are currently drafted, and with CMP 206 considered to have a significant material benefit, there would be ambiguity over whether it met the self-governance criteria, but in the context of guidance from Ofgem to recent CUSC Panels on how to interpret the self-governance criteria, we believe that CMP206 could fall within the threshold for self-governance.
3	Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?	No.

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	Tom Breckwoldt, tom.breckwoldt@gazprom-energy.com, +44 (0)845 873 2284.
Company Name:	Gazprom Energy
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	At a time when significant network investment in the industry is required and following the recent volatility of TNUoS tariffs, we feel that this modification would be of benefit to the industry. It would allow suppliers to have better sight of future TNUoS costs and this will promote competition by allowing more accurate pricing, particularly in the fixed contract sector.
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	We believe that the proposed modification will better facilitate CUSC objective <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> Suppliers will be able to forecast and price contracts more accurately as stated above.

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you have any other comments?	No
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No

Specific questions for CMP206

Q	Question	Response
1	Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published is beneficial for users of the transmission network?	Yes the timetable looks to be a sensible one and will allow regular updates to future TNUoS tariffs which should aid suppliers offering of contracts more than 12 months out. The conference call explaining the update shortly afterwards would also be helpful.

Q	Question	Response
2	Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	No.
3	Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?	No.

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	Antony Badger
Company Name:	Haven Power Limited (Haven)
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	<p><i>Haven is the proposer of CMP206 and participated in each of the Workgroup meetings and the Workgroup Consultation is a fair representation of the discussions.</i></p> <p><i>We are supportive of the detailed proposals set out in the Workgroup Consultation for the provision of additional TNUoS forecast information on a regular basis.</i></p> <p><i>[The Condition 5 Report is a pivotal document in the annual information provision timetable set out in the Workgroup Consultation. We would like to see the timing of the publication of this set out in the relevant legal text for CMP206.]</i></p>
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<p><i>We believe CMP206 better facilitates Applicable CUSC Objectives (a) and (b) as set out below.</i></p> <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>As the proposer, we feel that CMP206 would provide for more effective discharge of the Company's obligation under SLC4 paragraph 2(i) of the transmission licence which relate to provision of details of use of system charges for which a user would become liable through the provision of relevant forecast information.</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><i>CMP206 would enable users to improve the accuracy of their forecasts and assessments, which should lead to more informed business plans and pricing strategies. Users would also fact less uncertainty with respect to future changes in use of system charges and so be exposed to less risk.</i></p> <p><i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p><i>Yes, we believe that CMP206 better facilitates CUSC Objectives (a) and (b) for the reasons set out in our modification proposal which is included as part of the Workgroup Consultation.</i></p>

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	<i>Haven is supportive of the proposed implementation approach. We would like to see CMP206 take affect during 2013 for the 2014/15 charging year.</i>
Do you have any other comments?	

Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No.
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Specific questions for CMP206

Q	Question	Response
1	Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published is beneficial for users of the transmission network?	<p><i>Yes, we believe the proposed timetable for updates is sensible. Under the timetable, NGET would publish updates based on the latest view of key data which could affect the level of future TNUoS charges. Additional forecasts would include updates to TEC and DNO week 24 demand data information.</i></p> <p><i>A conference call update would be beneficial for all users of the transmission network. It would provide a timely forum for NGET to explain the drivers of any changes in TNUoS forecasts and allow users to ask questions. DNOs hold conference calls after their quarterly DUoS tariff forecast updates and we have found these useful to help understand the reasons behind forecast movements. Furthermore, the introduction of a conference call would further enhance NGET's interaction and sharing of information with industry.</i></p>
2	Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	<p><i>Haven considers that CMP206 does not meet the Self-governance criteria.</i></p> <p><i>Under CMP206, users of the transmission network will be better informed on the likely level of future use of system charges – this will allow them to improve their own forecasts for pricing and help reduce the likelihood of unexpected changes in future charging levels. We believe this would better facilitate competition in the supply and sale of electricity.</i></p>
3	Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?	<p><i>NGET currently receives various information flows from other parties (e.g. TOs / DNOs). We consider that under CMP206 and the proposed timetable for publishing additional forecasts, the other Parties would not incur any additional costs. CMP206 requires NGET to use information currently received to compute & publish tariff forecasts – it does not require other Parties to provide additional data.</i></p>

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	Jonathan Wisdom (jonathan.wisdom@npower.com - 07584491508)
Company Name:	RWEnpower ltd
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	<p>It is our view that CMP206 is an inherently sensible and progressive modification. The overall objective of increasing market transparency and therefore improving competition is very clear in this proposal and from an implementation perspective it appears simple from the point of view of National Grid.</p> <p>Our only issue is that this appears to be an extremely appropriate modification for the self-governance process. However, it appears that the criteria for self-governance are exposed as being too restrictive. We would ask that National Grid take steps to publish information that this modification seeks to obtain this year. We believe that there is no reason why this cannot be done prior to any implementation decision from Ofgem. This will assist in mitigating the impact of the criteria on this particular modification.</p>
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<p><i>It is our view that applicable objective (b) is better facilitated by the implementation of this modification:</i></p> <p>The effectiveness of competition is in part informed by the transparency of the marketplace. As this modification will increase transparency to all participants and allow an insight to the progression of National Grid's dataset from which charges are derived we believe it satisfies this objective. In addition we believe that National Grid could take steps to publish this information prior to the modification being implemented to assist in market transparency for the April 2013 charging statements.</p>

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	We support the implementation of this proposal as soon as possible. As such we have no issue with the workgroups recommendation but ask that informal steps be taken to publish information ahead of this time.
Do you have any other comments?	No
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No

Specific questions for CMP206

Q	Question	Response
1	Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published be beneficial for users of the transmission network?	Yes we agree with the conclusions of the working group in this regard. An opportunity to discuss the tariffs in an industry forum is also welcome. We would also like this to be an opportunity for National Grid to take on feedback and look to improve the reports where Users request it.
2	Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	No, however, we believe as stated in the workgroup that CMP206 is a good example of a self-governance modification that cannot be progressed as such due to the restrictive nature of the self governance criteria.
3	Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?	No.

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	<i>James Anderson</i>
Company Name:	<i>ScottishPower Energy Management Ltd</i>
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	ScottishPower supports the proposed modification proposal as it better meets the Applicable CUSC Objectives and will provide significantly improved (timing and accuracy) information to Users thus facilitating better economic decision making.
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<i>For reference, the Applicable CUSC Objectives are:</i> <i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i> <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> <i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i>

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	ScottishPower supports the proposed implementation approach.
Do you have any other comments?	No.
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No.

Specific questions for CMP206

Q	Question	Response
1	Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published is beneficial for users of the transmission network?	ScottishPower considers that the proposed publication timetable is sensible and makes the best use of the information available at each of the proposed forecast times. The use of a teleconference following publication of the forecasts would allow users, in addition to those who attend TCMF, to query the assumptions and the impacts of the published tariffs and develop a greater understanding of their future direction.

Q	Question	Response
2	<p>Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.</p>	<p>Adopting a strict interpretation of the criteria for Self-governance, this proposal would fail to meet those criteria. However, as the aim of the Proposal is to improve competition through the provision of improved charging information to <u>all</u> users and not benefiting any particular group while imposing no significant additional costs upon National Grid, this Proposal would appear to fall within the spirit of the Self-governance regime.</p>
3	<p>Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?</p>	<p>No.</p>

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	Colin Prestwich, Colin-Prestwich@smartestenergy.com , 020 7448 0961
Company Name:	SmartestEnergy Ltd
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	SmartestEnergy is generally supportive of the proposal.
Do you believe that the proposed original better facilitates the Applicable CUSC Objectives? Please include your reasoning.	Yes, we believe the proposal better facilitates the following two CUSC objectives: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and (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,

Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you have any other comments?	No
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No

Specific questions for CMP206

Q	Question	Response
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Q	Question	Response
1	<p>Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published is beneficial for users of the transmission network?</p>	<p>Yes and yes</p>
2	<p>Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.</p>	<p>Yes – not implementing is more likely to have a material effect on existing or future electricity consumers.</p>
3	<p>Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?</p>	<p>No</p>

CMP206 – To provide and update year ahead TNUoS forecasts

Respondent:	<i>Garth Graham (garth.graham@sse.com)</i>
Company Name:	<i>SSE</i>
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	We note the deliberations of the Workgroup as set out in the consultation document. We are minded to support this change for the reasons we set out below as we think that, in particular, the increase in the publication of year ahead TNUoS forecasts will be beneficial to competition.
Do you believe that the proposed original better facilitates 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><i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>We note the initial assessment against the Applicable CUSC Objectives set out in section 7 of the consultation document. Our initial view is the CMP206 does better facilitate Applicable Objectives (a) and (b) for the reasons set out in paragraph 7.1 and, of these, the reasoning associated with (b) is more compelling than (a). In our view CMP206 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.	In broad terms we support the proposed implementation timescales (of ten Working Days). However, we have a slight concern over how this might ‘interact’ in the context of the proposed timescales for the five items set out in Table 2, in terms of if one of the dates for publication fell close to the ten day implementation period then National Grid might struggle to meet the publication requirement. We would hope that a pragmatic way forward can be put in place to address what we hope is a minor concern.
Do you have any other comments?	Not at this time.
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	No.

Specific questions for CMP206

Q	Question	Response
1	<p>Do you think the proposed timetable for publication of tariff updates is sensible via the Condition 5 Report and would a conference call explaining the update shortly after one is published be beneficial for users of the transmission network?</p>	<p>Noting the deliberations of the Workgroup, as set out in paragraphs 4.6 and 4.7, we believe that the proposed timetable for the publication of tariff updates (as shown in Table 2) is sensible as is the proposed conference call to facilitate wider understanding of why the tariffs in the update have changed. Such a development would, in our view, be beneficial to Users of the transmission network (as well as wider afield, such as end consumers and other stakeholders).</p> <p>Furthermore we welcome the intention, as set out in paragraph 4.7, that an annual timetable for ‘publication’ will be provided (all be it not as an obligation set out in the CUSC, but as an example of Good Industry Practice).</p>
2	<p>Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.</p>	<p>In our view; noting the reasons given by the CUSC Panel and the reasons set out in paragraph 4.8; we believe that CMP206 does not meet the Self-Governance Criteria set out in the CUSC.</p>
3	<p>Do you think that the solution being progressed by CMP206 will incur any further costs to any Party other than NGET?</p>	<p>We do not envisage stakeholders incurring any substantial further costs associated with progressing CMP206. Furthermore, we agree with the Workgroup “that any benefits derived from this proposal would outweigh any additional costs” if they were incurred.</p>

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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 **4 October 2012** to cusc.team@nationalgrid.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.

Respondent:	<i>Paul Mott (paul.mott@edfenergy.com)</i>
Company Name:	<i>EDF Energy</i>
Do you believe that the proposed original better facilitate the Applicable CUSC Objectives? Please include your reasoning.	<p><i>Yes, it better facilitates applicable objective (a) through provision of improved details of Use of System Charges under the licence, including publication of relevant forecast information.</i></p> <p><i>It better facilitates applicable objective (b) by enabling grid users to improve the accuracy of their own TNUoS forecasts and assessments. The forecasts would also enable all companies to be on a more equal footing with respect to likely future TNUoS charges. New entry should be facilitated both by reduced cost of capital due to de-risking, and by the ease of access to good quality information about future TNUoS.</i></p> <p><i>It facilitates applicable objective (c) neither better , nor worse.</i></p>
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	<p><i>Yes.</i></p> <p><i>We would also like informal publication of the information ahead of the proposed implementation date if possible.</i></p>
Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	<p><i>Yes. CMP 206 would be an ideal modification to go through self-governance, as there is cross industry support with clear benefits and a low implementation cost. We note that guidance was given by Ofgem to a recent CUSC Panel on how to interpret the self-governance criteria, indicating that there was a risk of taking an unduly cautious approach to use of the self-governance route. We do believe that CMP206 falls within the threshold for self-governance.</i></p>
Do you have any other comments?	<i>None.</i>

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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

Respondent:	jonathan.wisdom@npower.com
Company Name:	<i>RWE npower Ltd</i>
Do you believe that the proposed original better facilitate the Applicable CUSC Objectives? Please include your reasoning.	We believe that the implementation of this proposal better facilitates the CUSC objectives through providing additional transparency. This will aid customers, generators and their suppliers in understanding potential impacts to their charges.
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	We support the proposed implementation approach but would request that NGET give this data to the market as soon as possible if it does become available prior to the implementation date.
Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	As stated before by the letter of the rules this CP does not meet the self governance criteria as it has a potential material impact. However, we believe that it was an ideal example of a self governance modification due to its unambiguous nature and lack of impact on industry parties. As such we would recommend that self governance is used to determine its outcome.
Do you have any other comments?	<i>No</i>

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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 **4 October 2012** to cusc.team@nationalgrid.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.

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 better facilitate the Applicable CUSC Objectives? Please include your reasoning.	ScottishPower agrees that the proposal better facilitates the applicable CUSC objectives (b) - effective competition. It will provide significantly improved (timing and accuracy) information to Users thus facilitating better economic decision making.
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	ScottishPower supports the proposed implementation approach.
Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	While it remains debatable on whether CMP206 strictly fulfils the criteria for Self-governance, ScottishPower believe that this Proposal would fall within the spirit of the Self-governance regime, as its aim is to improve competition; not benefiting any particular group; and not imposing any significant additional costs upon National Grid.
Do you have any other comments?	No

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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 **4 October 2012** to cusc.team@nationalgrid.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.

<p>Respondent:</p>	<p><i>Antony Badger</i> antony.badger@havenpower.com</p>
<p>Company Name:</p>	<p><i>Haven Power Limited</i></p>
<p>Do you believe that the proposed original better facilitate the Applicable CUSC Objectives? Please include your reasoning.</p>	<p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</p> <p>(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.</p> <p>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</p> <p><i>Yes, we believe that the proposed original better facilitates Applicable Objective (b). It will provide improved information for users which will allow them to produce more informed business plans and pricing strategies. This reduction in uncertainty will be beneficial for both potential new & existing users and will help to better facilitate competition.</i></p>
<p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p>	<p><i>Yes.</i></p>
<p>Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.</p>	<p><i>We do not believe that CMP206 meets self-governance criteria as they are currently written. In particular point (ii), as it is “likely to have a material impact on “competition in the generation, distribution, or supply of electricity or any commercial activities</i></p>

	<p><i>connected with the generation, distribution, or supply of electricity”.</i></p> <p><i>The intent of CMP206 is to provide more information for users and the Workgroup process has shown that this is could be made available with little extra resource input (much is already available internally within NGET, but is currently unpublished).</i></p> <p><i>With this in mind, we support the view of the Workgroup at its post-consultation meeting that CMP206 is the type of change (aside from housekeeping modifications) that should have been able to follow the self-governance route as this would be more efficient, but is precluded from doing so under the criteria as currently written (and interpreted).</i></p> <p><i>Ofgem should review the Self-governance criteria (e.g. as part of the Code Governance Review (Phase 2)) to (i) ensure that they can easily be applied to the type of changes for which they were intended and (ii) reduce the timeframes for assessment / implementation.</i></p>
<p>Do you have any other comments?</p>	<p>No.</p>

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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 **4 October 2012** to cusc.team@nationalgrid.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.

Respondent:	Colin Prestwich
Company Name:	SmartestEnergy
Do you believe that the proposed original better facilitate the Applicable CUSC Objectives? Please include your reasoning.	Yes, we believe the proposal better facilitates the following two CUSC objectives: (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and (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,
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you consider that CMP206 meets the Self-governance criteria? Please provide reasons for your view.	Yes – there is clearly not going to be any detrimental impact on competition, the system, the environment or the governance by implementing this proposal. There are also no issues of discrimination.
Do you have any other comments?	No

CMP206 – Requirement for NGET to provide and update year ahead TNUoS forecasts.

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 **4 October 2012** to cusc.team@nationalgrid.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.

Respondent:	<i>Garth Graham (garth.graham@sse.com)</i>
Company Name:	SSE
Do you believe that the proposed original 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><i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>We note the assessment against the Applicable CUSC Objectives set out in section 7 of the consultation document. As per our initial view (at the Workgroup consultation stage) we believe that CMP206 does better facilitate Applicable Objectives (a) and (b) for the reasons set out in the table (in section 7) and, of these, the reasoning associated with (b) is more compelling than (a). In our view CMP206 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.	We support the proposed implementation, as set out in section 6, of ten Working Days after an Authority Decision.
Do you consider that CMP206 meets the Self-governance	In our view; noting the reasons given by the CUSC Panel and the reasons set out in paragraphs 4.9 and 4.10; we believe that

criteria? Please provide reasons for your view.	CMP206 does not meet the Self-Governance Criteria set out in the CUSC.
Do you have any other comments?	We have nothing further to add.



Emma Clark
CUSC Modifications Panel Secretary
National Grid

*Promoting choice and value for
all gas and electricity customers*

(By email)

Direct Dial: 0141 331 6011
Email: industrycodes@ofgem.gov.uk

18 October 2012

Dear Emma,

CMP206 – direction to the CUSC Modifications Panel to follow the procedure for CUSC modifications that meet the Self-Governance Criteria

Ofgem attended each meeting of the Workgroup assessing CUSC modification proposal CMP206 'Requirement for National Grid Electricity Transmission to provide and update year-ahead TNUoS forecasts'. As part of the Workgroup's Terms of Reference, the Workgroup was asked to consider whether the proposal meets the Self-Governance Criteria as defined in the CUSC.¹ The Workgroup consultation sought views on the applicability of the Self-Governance Criteria as did the CMP206 Code Administrator (CA) consultation.

We note that, although there were mixed views in Workgroup consultation responses and amongst the Workgroup about whether CMP206 does meet the Criteria, there was a preference for the proposal to follow the self-governance route. Respondents highlighted that the reason why CMP206 may not meet the Criteria is a matter of interpreting the Criteria as currently written. We note that the CA consultation responses broadly express a preference for CMP206 to follow the self-governance route, noting that the proposal falls within the spirit of self-governance due to cross-industry support and the low implementation costs involved.

We have considered the views of the Workgroup and industry respondents as stated in the draft Final Modification Report for CMP206. We consider that there is a case for directing the proposal to the self-governance route, so that the Panel makes a decision on CMP206 rather than a recommendation, subject to any appeal to the Authority.

In our view, the proposal is driven by an improvement to an existing process for providing forecast TNUoS data whose implementation has low (non-material) impact on CUSC parties and National Grid Electricity Transmission. The Workgroup and industry respondents have highlighted possible material benefits arising from greater visibility of forecast data which may facilitate competition. However, the materiality of these benefits is not quantified and the qualitative benefit is a potential consequence of any improvement resulting from the implementation of CMP206 rather than being inherent to the proposal.

We therefore consider that CMP206 has a non-material impact in line with the Self-Governance Criteria and direct that the Panel should follow the procedure set out for CUSC modification proposals that meet the Self-Governance Criteria in accordance with paragraph 8.25.4 of the CUSC. As CMP206 has already completed the Workgroup and CA consultation process, the Panel should prepare a CUSC Modification Self-Governance Report in accordance with paragraphs 8.25.5 to 8.25.9 of the CUSC and undertake a Self-Governance Vote on CMP206 at the next Panel meeting.

¹ The definition appears in Section 11 of the CUSC.

There is an appeals process to the Authority should a party disagree with the outcome of the Panel's Self-Governance Vote. In our view, this provides an appropriate check and balance in the process to prevent a modification that does not meet the Self-Governance Criteria from being implemented on the 16th business day after the Panel's decision.

If there any questions about this letter, please contact Abid Sheikh on the direct dial number above.

Yours sincerely,

Declan Tomany
Associate Partner Legal - Smarter Grids & Governance

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