

Stage 06: Final CUSC Modification Self-Governance Report

Connection and Use of System Code (CUSC)

CMP215 Removal of references to TNUoS charges for Interconnector BM Units and requirement to provide Security Cover for BSUoS

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 amend the CUSC to reflect the removal of the requirement to pay Transmission Network Use of System charges for Interconnector BM Units and the requirement for Interconnector Users and Error Administrators to provide Security Cover.

Published on:

29th April 2013

Deadline for Comments:

7th May 2013



The Panel has determined:

That CMP215 should be implemented as it better facilitates Applicable CUSC Objective (a)



Implementation:

CMP215 will be implemented on 22nd May 2013, pending any issues raised in response to this revised Report.



High Impact:

None



Medium Impact:

None



Low Impact:

Interconnector BM Units

Contents



1	Summary	3
2	Why Change?.....	5
3	Solution	5
4	Impacts	6
5	Implementation	7
6	Views	8
7	Code Administrator Consultation Response Summary	9
	Annex 1 – CMP215 Proposal Form.....	10
	Annex 2 – Proposed Legal Text.....	14
	Annex 3 – Self-governance Statement.....	25
	Annex 4 – Code Administrator Consultation Responses.....	27

Any Questions?

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Proposer:

Jenny Doherty

National Grid Electricity
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About this document

This is the Final CUSC Modification Report which contains details of the Panel's determination in respect of CMP215, as well as responses to the Code Administrator Consultation. The report has been prepared and issued by National Grid as Code Administrator under the rules and procedures specified in the CUSC. This version of the Report was updated to include the full version of the legal text which was omitted in error from the original Report.

Document Control

Version	Date	Author	Change Reference
0.1	20 th February 2013	Code Administrator	Draft for Industry comment
0.2	14 th March 2013	Code Administrator	Version for Panel Vote
0.3	22 nd March 2013	Code Administrator	Version for Panel Comment
1.0	3 rd April 2013	Code Administrator	Final Version for Publication
2.0	29 th April 2013	Code Administrator	Updated Version for Publication.

1 Summary

- 1.1 CMP215 aims to tidy up CUSC Section 9 by removing references to Transmission Network Use of System (TNUoS) charges following the implementation of GB ECM-26 in 2010.
- 1.2 CMP215 also aims to remove references to Security Cover and Credit Rating in Exhibit F 'The Connection and Use of System Code Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice' following the implementation of CMP202 in August 2012, which removed the obligation for Interconnector Users and Error Administrators to pay Balancing System Use of System (BSUoS) charges.
- 1.3 These proposed changes aim to update the CUSC document to reflect the implementation of GB ECM-26 and CMP202. The changes intend to keep Section 9 and the Exhibits up to date and provide clarity within the CUSC.
- 1.4 CMP215 was proposed by National Grid and submitted to the CUSC Modifications Panel for their consideration on 25th January 2013. The Panel determined that the proposal should be sent to the Code Administrator Consultation phase for a period of 3 weeks and that it should report back to the CUSC Modifications Panel in March 2013. The Panel also agreed that it should be progressed under the Self-Governance route. A Self-Governance Statement was sent to the Authority on 29th January 2013 and is included within Annex 3 of this document.
- 1.5 The Code Administrator Consultation closed on 19 February 2013, and there were 2 responses. Both responses supported the implementation of CMP215 and agreed that CMP215 should follow the Self-governance route. Copies of the representations are included in Annex 4.
- 1.6 This CUSC Modifications Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website at www.nationalgrid.com/uk/Electricity/Codes, along with the CUSC Modification Proposal form.
- 1.7 An error in the Final Modification Report was identified prior to implementing CMP215. The legal text provided in both the Final Report and also in the Code Administrator Consultation was incomplete and did not contain the changes in Exhibit H – Use of System Interconnector Offer and Confirmation Notice. This was provided in the CUSC Modification Proposal, circulated to Panel Members and published on National Grid's website on 17th January 2013. This is now included in Annex 2 of this document. At the meeting of the CUSC Modifications Panel on 26th April 2013, the CUSC Panel and the Authority Representative agreed that this was a minor omission and for the Final Modification Report to be re-published and the industry provided with an opportunity to comment on this additional legal text. No other changes have been made in relation to CMP215.

National Grid's Opinion

- 1.8 National Grid supports the implementation of CMP215 as it better facilitates Applicable CUSC Objective (a) by improving clarity for CUSC Parties in line with the implementation of GB ECM-26 and CMP202.

CUSC Modifications Panel Determination

- 1.9 At the meeting of the CUSC Modifications Panel on 22nd March 2013, the Panel voted unanimously that CMP215 better facilitates the Applicable CUSC Objectives and so should be implemented. Further details of the voting can be found in Section 6.

Implementation

- 1.10 The 15 working day Self-governance appeal window commenced on 22nd March 2013 and closed on 16th April 2013. No appeals were received. However, due to the omission of part of the legal text, pending any issues raised, CMP215 will now be implemented 10 working days after closure for comment on this Final Modification Report.

2 Why Change?



What is BSUoS?

National Grid recovers the costs of balancing the system through BSUoS charges. BSUoS charges are paid for by all CUSC Parties, including Lead Parties for flows on Interconnector BM Units. The Statement of the Use of System Charging Methodology, now included as part of CUSC Section 14, includes a detailed methodology for the calculation of daily BSUoS charges and information on the timing of the charges. The Statement of the BSUoS Charging Methodology can be found at the following link: [CUSC Section 14](#)

- 2.1 In 2010, GB ECM-26 'Review of Interconnector Charging Arrangements'¹ was implemented and removed the obligation for Interconnectors to pay TNUoS charges.
- 2.2 Section 9 of the CUSC has not been revised since the implementation of GB ECM-26 and therefore still references the requirement for Interconnector BM Units to pay TNUoS charges.
- 2.3 CMP202 'Revised treatment of BSUoS charges for lead parties of Interconnector BM Units'² was implemented in August 2012 and removed the obligation for Interconnectors to pay BSUoS charges.
- 2.4 CUSC Exhibit F 'The Connection and Use of System Code Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice' both request an Approved Credit Rating or Security Cover. It is no longer a requirement for Interconnector Users or Error Administrators applying to use the system following the implementation of CMP202 to provide Security Cover. This is due to the obligation to pay BSUoS charges being removed.
- 2.5 By removing references to TNUoS charges and Security Cover in the CUSC, there will be increased visibility of Interconnector obligations.

3 Solution

- 3.1 The proposer's view is that references to TNUoS charges in Section 9 and to Security Cover in Exhibit F and Exhibit H can be removed to solve this defect. This change will update the CUSC to provide clarity for Interconnector BM Units.
- 3.2 CMP215 seeks to remove section 9.10 Use of System Charges – Transmission Network Use of System Charges, which refers to the obligation for Interconnector BM Units to pay TNUoS charges.
- 3.3 Section 9 also contains references to TNUoS charges in Section 9.22.3 and 9.22.4 which should be removed.
- 3.4 The obligation to provide Security Cover or have an approved Credit Rating in Exhibit F and Exhibit H should be removed to provide clarity to new Interconnector Users and Error Administrators.
- 3.5 Section 11 of the CUSC contains two references to Section 9 which would need to be amended due to subsequent renumbering following the removal of Section 9.10.

¹ The Report to the Authority can be found at the following link:
<http://www.nationalgrid.com/NR/rdonlyres/52B5CF91-9AE1-467D-9BE1-3620149FA895/42993/GBECM26ConsultationAuthorityReportFinal.pdf>

² The Final Report for CMP202 can be found at the following link:
<http://www.nationalgrid.com/NR/rdonlyres/CF15507C-9149-4170-85D5-B167D968D9BC/54879/FinalCUSCMODIFICATIONREPORT10.pdf>

4 Impacts



What is TNUoS?

Transmission Network Use of System Charges recover the costs incurred by Transmission Owners in their businesses. They reflect the costs of installing and maintaining the National Electricity Transmission System assets required to allow the transfer of power between connection sites and to provide transmission security. Zonal tariffs are produced annually by National Grid.

Impact on the CUSC

- 4.1 CMP215 requires amendments to the following parts of the CUSC:
- Section 9
 - Section 11
 - Exhibit F - Use of System Application
 - Exhibit H - Use of System Interconnector Offer and Confirmation Notice
- 4.2 The text required to give effect to this proposal is contained in Annex 2 of this document.

Impact on Greenhouse Gas Emissions

- 4.3 The proposer has not identified any material impacts on Greenhouse gas Emissions

Impact on Core Industry Documents

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

Impact on other Industry Documents

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

Costs

Industry costs (Standard CMP)	
Resource costs	£1,815 – 1 Consultation <ul style="list-style-type: none">• 1.5 man days effort per consultation response• 2 consultation respondents
Total Industry Costs	£1,815

5 Implementation

- 5.1 Pending any issues raised following the publication of this report, CMP215 will now be implemented on 22nd May 2013.

Assessment against Applicable CUSC Objectives

6.1 For reference, the Applicable 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.*

National Grid Opinion

6.2 National Grid supports the implementation of CMP215 as it better facilitates Applicable CUSC Objective (a) by updating the CUSC following the implementation of CMP202 and GB ECM-26, which will provide clarity for CUSC Parties.

CUSC Modifications Panel View

6.3 At the meeting of the CUSC Modifications Panel on 22nd March 2013, the Panel voted unanimously that CMP215 better facilitates the Applicable CUSC Objectives and so should be implemented. Details of the voting are set out in the tables below:

Panel Member	Better facilitates ACO (a)	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Overall (Y/N)
Paul Jones	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Jones for Simon Lord	Yes, as above.	Neutral.	Neutral.	Y
James Anderson	Yes, as it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Ian Pashley	Yes, it improves clarity.	Neutral.	Neutral.	Y
Garth Graham	Yes, it reduces the opportunity for misinterpretation.	Neutral.	Neutral.	Y
Bob Brown	Yes, it improves clarity.	Neutral.	Neutral.	Y
Paul Mott	Yes, as above.	Neutral.	Neutral.	Y

7 Code Administrator Consultation Response Summary

Two responses were received to the Code Administrator Consultation. The following table provides an overview of the responses received. The full responses can be found in Annex 4.

Company Name:	EDF Energy	ScottishPower Energy Management
Do you believe that better facilitates the Applicable CUSC Objectives as set out in paragraph 7.1?	Yes, as it better facilitates Applicable CUSC Objective (a) by improving clarity for CUSC Parties, by removing stranded and redundant wording.	Yes, as it better facilitates Applicable CUSC Objective (a) by updating the relevant sections of CUSC due to recent changes – CMP202 & GB ECM-26 and ensures consistency.
Do you support the proposed implementation approach?	Yes	Yes
Do you agree with the decision to progress CMP215 through the Self-governance route?	Yes	Yes, primarily “housekeeping” exercise. There is no material impact.
Do you have any other comments?	No	No

CUSC Modification Proposal Form	CMP215
<p>Title of the CUSC Modification Proposal: <i>(mandatory by Proposer)</i></p> <p>Removal of references to TNUoS charges for Interconnector BM Units and requirement to provide Security Cover for BSUoS</p>	
<p>Submission Date <i>(mandatory by Proposer)</i></p> <p>17th January 2013</p>	
<p>Description of the CUSC Modification Proposal <i>(mandatory by Proposer)</i></p> <p>These proposed changes aim to update Section 9 of the CUSC, Exhibit F ‘The Connection and Use of System Code Use of System Application’ and Exhibit H ‘Use of System Interconnector Offer and Confirmation Notice’. The proposal will reflect the removal of the requirement to pay Transmission Network Use of System (TNUoS) charges for Interconnectors under GB ECM-26 in 2010 and the removal of Balancing Services Use of System (BSUoS) charges following the implementation of CMP202 in August 2012. Due to removal of both TNUoS and BSUoS charges, new Interconnector Users and Error Administrators are also no longer obligated to have an Approved Credit Rating or provide Security Cover for these charges.</p> <p>This Proposal aims to remove references to TNUoS charges for Interconnector BM Units in Section 9 of the CUSC and the requirement of Interconnector Users and Error Administrators to provide Security Cover in Exhibit F and Exhibit H.</p>	
<p>Description of Issue or Defect that CUSC Modification Proposal seeks to Address: <i>(mandatory by Proposer)</i></p> <p>Section 9 of the CUSC has not been revised since the implementation of GB ECM-26 and therefore still incorrectly references the requirement for Interconnector BM Units to pay TNUoS charges.</p> <p>CUSC Exhibit F ‘Use of System Application’ and Exhibit H ‘Use of System Interconnector Offer and Confirmation Notice’ both require a user to have an Approved Credit Rating or provide Security Cover which are no longer obligations for Interconnector Users and Error Administrators following the removal of TNUoS and BSUoS charges. This modification seeks to tidy up both Exhibits to make clear that an Approved Credit Rating or Security Cover are no longer required for new users for BSUoS charges and for new and existing users for TNUoS.</p> <p>BSUoS charges for Interconnectors will undergo final reconciliation in November 2013 and therefore cannot be removed from Section 9 until after this date. CMP216, a further proposal to remove references to BSUoS charges will run in conjunction with this modification for implementation in late 2013. For the avoidance of doubt, these modifications are not dependent upon one another.</p>	
<p>Impact on the CUSC <i>(this should be given where possible)</i></p> <p>Removal of section 9.10</p> <p>Removal of references to TNUoS in:</p> <ul style="list-style-type: none"> • 9.22.3 	

- 9.22.4

Contents page updated

Subsequent numbering updated in Section 9

Amendments to references in Section 11

Removal of references to Security Cover in:

- Exhibit F - The Connection and Use of System Code Use of System Application
- Exhibit H - Use of System Interconnector Offer and Confirmation Notice

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

No

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

BSC

Grid Code

STC

Other

(please specify)

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

No

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

N/A

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

Yes

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

The proposed changes within the CUSC will not have any material effect on CUSC parties as the obligations to provide Security Cover for these charges has already lapsed. The changes being proposed are to tidy up the CUSC in response to the implementation of GB ECM-26 and CMP202.

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)*

N/A

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

CMP216

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

This modification will update the CUSC following the implementation of CMP202 and GB ECM-26 which will provide clarity for CUSC parties.

(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

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission Ltd.
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:	Jenny Doherty National Grid 01926654648 Jennifer.doherty@nationalgrid.com

Details of Representative's Alternate:

Name: Emma Clark
Organisation: National Grid
Telephone Number: 01926 655223
Email Address: Emma.clark2@nationalgrid.com

Attachments Yes:

If Yes, Title and No. of pages of each Attachment:

CMP202 Final Report

<http://www.nationalgrid.com/NR/ronlyres/CF15507C-9149-4170-85D5-B167D968D9BC/54879/FinalCUSCMModificationReport10.pdf>

GB ECM-26 Report

<http://www.nationalgrid.com/NR/ronlyres/52B5CF91-9AE1-467D-9BE1-3620149FA895/42993/GBECM26ConsultationAuthorityReportFinal.pdf>

Proposed Legal Text:

Section 9, Paragraphs 9.10, 9.22.3 and 9.22.4

Exhibit F - The Connection and Use of System Code Use of System Application

Exhibit H - Use of System Interconnector Offer and Confirmation Notice

Section 9 Interconnectors

~~9.10 USE OF SYSTEM CHARGES – Transmission Network Use of System Charges~~

~~9.10.1 Subject to the provisions of the CUSC, and any relevant Bilateral Agreement, together with the relevant Charging Statements, the User shall with effect from the relevant date set out in the relevant Bilateral Agreement, be liable to pay to The Company the Transmission Network Use of System Charges and (if appropriate) the STTEC Charge and LDTEC Charge in accordance with the CUSC calculated in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology. The Company shall apply and calculate the Use of System Charges in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology.~~

~~9.10.2 Data Requirements~~

~~9.10.2.1 On or before the end of the second week of December in each Financial Year, each User shall supply The Company with such data as described under Section 9.10.2. The Company may from time to time reasonably request to enable The Company to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements for the Financial Year to which the data relates;~~

~~9.10.2.2 On or before the 10th day in March in each Financial Year, each User shall supply The Company on The Company's reasonable request with its Demand Forecast for the following Financial Year pursuant to the Charging Statements to enable The Company to use such Demand Forecast as the basis for calculation of the Transmission Network Use of System Charges for the Financial Year to which the Demand Forecast relates.~~

~~9.10.2.3 In the event that a User fails to provide a Demand Forecast in accordance with Paragraph 9.10.2.2 above the User shall be deemed to have submitted as its Demand Forecast the last Demand Forecast supplied under Paragraph 9.10.3.1.~~

~~9.10.2.5 On or before the end of the second week of December in each Financial Year each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply The Company with a forecast maximum TEC for the following year, to inform The Company of the forecast generation to be sued for the purposes of setting TNUoS Tariffs.~~

~~9.10.3 Variation Of Forecasts During The Financial Year~~

~~9.10.3.1 Each User shall notify The Company of any revision to its Demand Forecast at least quarterly or at such intervals as may be agreed between The Company and the User from time to time.~~

~~9.10.3.2 In the event that a User fails to provide a revised Demand Forecast in accordance with Paragraph 9.10.3.1 above the User shall be deemed to~~

~~have submitted as its revised Demand Forecast that submitted at the previous quarter.~~

~~9.10.3.3 — Subject to Paragraph 9.10.4, The Company shall revise the Transmission Network Use of System Charges payable by a User to take account of any revised Demand Forecast and shall commence charging the revised Transmission Network Use of System Charges from the first day of the month following the month in which such revised Demand Forecast was received provided always that such Demand Forecast is provided before the 10th day of such month.~~

~~9.10.4 — Validation of Demand Forecasts~~

~~9.10.4.1 — The Demand Forecast shall represent a User's reasonable estimate of its Demand.~~

~~9.10.4.2 — The Company shall notify the User in the event that the Transmission Network Use of System Charges due from the User to The Company or from The Company to the User (as the case may be) calculated by The Company using the Demand Forecast differ by more than 20% from that calculated by The Company using The Company's forecast Demand as provided for in the Charging Statements.~~

~~9.10.4.3 — In the event that The Company does not receive a satisfactory explanation for the difference between the Demand Forecast and The Company's forecast Demand or a satisfactory revised Demand Forecast from the User within 5 Business Days of such notice then The Company shall be entitled to invoice a User for Transmission Network Use of System charges calculated on the basis of The Company forecast Demand.~~

~~(a) — 9.10.4.4 — Any dispute regarding a Demand Forecast or the resulting Transmission Network Use of System Charges shall be a Charging Dispute.~~

~~(b) — 9.10.5 — Reconciliation Statements~~

~~9.10.5.1 — Calculation of Initial Reconciliation~~

~~On or before 30 June in each Financial Year, The Company shall promptly calculate in accordance with the Statement of the Use of System Charging Methodology and the Statement of Use of System Charges the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by the User during each month during the preceding Financial Year (Actual Amount). The Company shall then compare the Actual Amount with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during the preceding Financial Year by the User (the "Notional Amount").~~

~~Generation Reconciliation~~

~~9.10.5.2 — As soon as reasonably practicable and in any event by 30 April in each Financial Year The Company shall prepare a generation reconciliation statement (the "Generation Reconciliation Statement") in respect of generation related Transmission Network Use of System Charges and send it to the User. Such statement shall specify the Actual Amount and the Notional Amount of generation related Transmission Network Use of System Charges for each month during the relevant Financial Year and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.~~

~~9.10.5.3 Together with the Generation Reconciliation Statement, The Company shall issue a credit note in relation to any sums shown by the Generation Reconciliation Statement to be due to the User or an invoice in respect of sums due to The Company and in each case interest thereon calculated pursuant to Paragraph 9.10.4.4 below.~~

~~(c) 9.10.5.4 As soon as reasonably practicable and in any event by 30 June in each Financial Year The Company shall then prepare an initial Demand reconciliation statement (the "Initial Demand Reconciliation Statement") in respect of Demand related Transmission Network Use of System Charges and send it to the User. Such statement shall specify the Actual Amount and the Notional Amount of Demand related Transmission Network Use of System Charges for each month during the relevant Financial Year and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.~~

~~(d) 9.10.5.5 Together with the Initial Demand Reconciliation Statement The Company shall issue a credit note in relation to any sum shown by the Initial Demand Reconciliation Statement to be due to the User or an invoice in respect of sums due to The Company and in each case interest thereon calculated pursuant to Paragraph 9.10.4.6;~~

~~9.10.5.6 General Provisions~~

~~(a) Invoices issued under Paragraph 9.10.4.3 shall be payable within 30 days of the date of the invoice;~~

~~(b) Interest on all amounts due under this Paragraph 9.10.4 shall be payable by the paying CUSC Party to the other on such amounts from the date of payment applicable to the month concerned until the date of actual payment of such amounts and such interest shall be calculated on a daily basis at a rate equal to the Base Rate during such period.~~

~~(e) 9.10.5.7 Final Reconciliation Statement~~

~~(a) **The Company** shall as soon as reasonably practicable following receipt by it of the **Final Reconciliation Settlement Run** or **Final Reconciliation Volume Allocation Run** as appropriate in respect of the last **Settlement Day** in each **Financial Year** issue a further **Demand** reconciliation statement (the "**Final Demand Reconciliation Statement**") in respect of **Demand related Transmission Network Use of System Charges** payable in respect of each month of that **Financial Year** showing:-~~

~~(i) any change in the **Demand related Transmission Network Use of System Charges** from those specified in the **Initial Demand Reconciliation Statement** provided in accordance with Paragraph 9.10.4.4;~~

~~(ii) whether the change represent a reconciliation payment owing by **The Company** to a **User** or by a **User** to **The Company**;~~

~~(iii) the amount of interest determined in accordance with Paragraph 9.10.4.6 above; and~~

~~(iv) the information from which the amounts in (i) above are derived and the manner of their calculation.~~

~~(b) Together with the **Final Demand Reconciliation Statement** **The Company** shall issue a credit note in relation to any sum shown in the **Final Demand Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **The Company** and in each case interest thereon calculated pursuant to Paragraph 9.10.4.6.~~

~~(e) Payment of any invoice issued pursuant to Paragraph 9.10.4.7(b) above or the application of any credit note issued pursuant to that paragraph against any liability of the User to The Company for Demand related Transmission Network Use of System Charges will be in full and final settlement of all Demand related Transmission Network Use of System Charges for the Financial Year to which the invoice or credit note relates provided that nothing in this Paragraph 9.10.4.7(c) shall affect the rights of the parties under the provisions of Paragraph 7.3.5 of the CUSC.~~

~~9.10.6 Paragraphs 3.14.1 – 3.14.4 (Revision of Charges) shall apply as if set out herein in full.~~

~~(f) 9.10.7 Each User shall as between The Company and that User provide The Company with Security Cover in respect of Transmission Network Use of System Demand Reconciliation Charges in accordance with Part III of Section 3.~~

~~(g) 9.10.8 Paragraphs 3.21 to 3.25 inclusive (Credit Requirements) as they relate to Transmission Network Use of System Demand Reconciliation Charges shall apply as if set out herein in full.~~

9.22.3 Each User shall as between The Company and that User provide The Company with Security Cover in respect of ~~Transmission Services Use of System Charges and~~ Balancing Services Use of System Charges in accordance with the provisions of Part III of Section 3.

9.22.4 Paragraphs 3.21 to 3.24 (Credit Requirements) as they relate to ~~Transmission Services Use of System Charges and~~ Balancing Services Use of System Charges shall apply as if set out herein in full and as if references to Generators were references to Interconnector Users and to Interconnector Error Administrators (as the case may be).

SECTION 11

INTERPRETATION AND DEFINITIONS

"Interface Agreement"	the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.14 <u>9.13</u> based substantially on the forms set out in Exhibit O to the CUSC;
"Use of System Offer"	an offer (or in the case of a use of system generation offer and where appropriate, offers) made by The Company to a User pursuant to Paragraph 3.7 or 9.20 <u>9.19</u> substantially in the form of Exhibit G (Use of System Supply Offer) or Exhibit E (Use of System Generation Offer) or Exhibit H (Use of System Interconnector Offer) to the CUSC;

CUSC - EXHIBIT F
THE CONNECTION AND USE OF SYSTEM CODE

USE OF SYSTEM APPLICATION

SUPPLIER

INTERCONNECTOR USER

INTERCONNECTOR ERROR ADMINISTRATOR

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold. If the **Applicant** has any queries regarding this application or any related matters then the **Applicant** is recommended to contact **The Company**³ where our staff will be pleased to help.

1. **The Company** (National Grid Electricity Transmission plc) requires the information requested in this application form for the purposes of preparing an Offer (the "Offer") to allow the **Applicant** to use the **National Electricity Transmission System**. It is essential that the **Applicant** supplies all information requested in this application form and that every effort should be made to ensure that such information is accurate.

2. Where **The Company** considers that any information provided by the **Applicant** is incomplete or unclear or further information is required, the **Applicant** will be requested to provide further information or clarification. The provision/clarification of this information may impact on The Company's ability to commence preparation of an **Offer**.

3. Should there be any change in any information provided by the **Applicant** after it has been submitted to **The Company**, the **Applicant** must immediately inform **The Company** of such a change.

4. The effective date upon which the application is made shall be the date when **The Company** is reasonably satisfied that the **Applicant** has completed Section A. **The Company** shall notify the **Applicant** of such date.

5. **The Company** will make the **Offer** in accordance with the terms of Paragraph 3.7 or ~~9.2.1~~[9.21](#) (Use of System Application) of the **CUSC** and the **Transmission Licence**.

6. **The Company** will make the **Offer** as soon as is reasonably practicable and in any event within 28 days of the effective date of the application or such longer period as the **Authority** agrees to.

³ Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

7. If the **Applicant** is not already a **CUSC Party** the **Applicant** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the CUSC are available on **The Company's Website**⁴ and the **Applicant** is advised to study them carefully. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

8. **The Company's Offer** will be based to the extent appropriate upon its standard form terms for **Use of System Offer** and the **Charging Statements** issued by **The Company** under Standard Conditions C4 and C6 of the **Transmission Licence**. The **Applicant** should bear in mind **The Company's** standard form terms of offer when making this application.

9. Please complete this application form in black print and return it duly signed to, Customer Services Manager, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634). In addition to returning the application to the Customer Services Manager an electronic form may be e-mailed to **The Company** at camdata@uk.ngrid.com Transmissionconnections@nationalgrid.com

10. For the most up to date contact details applicants are advised to visit **The Company Website**².

⁴ www.nationalgrid.com/uk/electricity

SECTION A. DETAILS OF APPLICANT (in respect of this application)

1. Registered Company

Name:.....

Address (of Registered Office in the case of a Company):

.....

.....

.....

Company Number:.....

Parent Company Name (if applicable):.....

2. **Company Secretary or person to receive CUSC notices**

Name:.....

Email:.....

Telephone:.....

Fax:.....

3. **Commercial Contact/Agent (person to receive Offer if different from Company Secretary or person to receive CUSC notices identified in 2 above)**

Name:.....

Title:.....

Address:.....

.....

.....

Email:.....

Telephone:.....

Fax:.....

USE OF SYSTEM APPLICATION

1. We hereby apply to use the **National Electricity Transmission System**.
2. We will promptly inform **The Company** of any change in the information given in this **Application** as quickly as practicable after becoming aware of any such change.
3. If we are not already a **CUSC Party** we undertake for the purposes of this **Application** to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.

~~4. We confirm that we:~~

~~meet the Approved Credit Rating []~~

~~do not meet the Approved Credit Rating []~~

5. 4. We confirm that we are applying in the category of:

Supplier []

Interconnector User []

Interconnector Error Administrator []

5. Where applying in the category of a Supplier, we confirm that we:

meet the Approved Credit Rating []

do not meet the Approved Credit Rating []

SIGNED BY:

.....
For and on behalf of the **Applicant**

Date:.....

END OF EXHIBIT F

CUSC – EXHIBIT H

**USE OF SYSTEM INTERCONNECTOR OFFER
AND CONFIRMATION NOTICE**

The Company Secretary

Date: []

Dear Sirs

We refer to your application dated [] for use of the National Electricity Transmission System as an [Interconnector User / Interconnector Error Administrator] under Part II of Section 9 and to *[here list other documents submitted by applicant in support of his application together with any relevant The Company communications relating to the application]* and now set out below our offer for the use of the National Electricity Transmission System. Please note that certain expressions which are used in this Offer are defined in the Interpretation and Definitions Section of the CUSC (Section 11) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

1. **The Company** offers to provide use of the **National Electricity Transmission System** to you as an **[Interconnector User / Interconnector Error Administrator]** on the terms of the **CUSC** and as set out in the attached combined **Use of System Interconnector Offer Notice and Confirmation Notice**. [As you are not already a **CUSC Party** you are also required to enter into the enclosed **CUSC Accession Agreement**.]

~~2. If at the date you sign and return the acknowledgement and acceptance of the Use of System Interconnector Offer Notice you hold an Approved Credit Rating, you should delete Option B in the acknowledgement.~~

~~3. If at the date that you sign and return the acknowledgement and acceptance of the Use of System Interconnector Offer Notice you do not have an Approved Credit Rating, then you should delete Option A in the acknowledgement and then in accordance with Paragraphs 9.22.3 and 9.22.4 of the CUSC you must put in place Security Cover to take effect from the date set out in the Use of System Interconnector Confirmation Notice.~~

4. ~~2.~~ The technical conditions with which you must comply as a term of this **Offer** are set out in the **Grid Code**.

5. ~~3.~~ This **Offer** is open for acceptance according to the terms of Paragraph 9.21.4 of the **CUSC** and the **Transmission Licence**. Please note your right to make an application to the **Authority** to settle the terms of the Offer pursuant to Standard Condition C9 of the **Transmission Licence**.

6. ~~4.~~ To accept this **Offer**, please sign and return the acknowledgement and acceptance on the duplicate copy of the **Use of System Interconnector Offer and Confirmation Notice** [and execute and return the **CUSC Accession Agreement**]. Subject to providing **Security Cover** in accordance with paragraph 3 above **The Company** will then itself [execute the **CUSC Accession Agreement** and] return a copy of the **Use of System Interconnector Offer and Confirmation Notice**.

7. ~~5.~~ The [**CUSC Accession Agreement** and] use of the **National Electricity Transmission System** pursuant to the **CUSC** as indicated in the **Confirmation Notice** are only effective in accordance with their terms once they have been signed [(or executed

in the case of the **CUSC Accession Agreement**]) and dated by **The Company**.

8.6 All communications in relation to this **Offer** must, in the first instance, be directed to [description].

Yours faithfully

.....
for and on behalf of
National Grid Electricity Transmission plc

**FORM OF USE OF SYSTEM INTERCONNECTOR OFFER AND
CONFIRMATION NOTICE.**

To: [] ("User", which expression shall include its successors and/or permitted assigns)

From: National Grid Electricity Transmission plc (["The Company"](#))

Date: []

1. DEFINITIONS, INTERPRETATIONS AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the CUSC have the same meanings, interpretations or constructions in this Use of System Interconnector Offer and Confirmation Notice ("Notice").

Part I - Use of System Interconnector Offer Notice

2. COMMENCEMENT

Subject to the other terms of this **Notice**, use of the **National Electricity Transmission System** as an **[Interconnector User/Interconnector Error Administrator]** ~~and the requirement to pay Use of System Charges~~ shall commence on the date **The Company** signs and dates Part II of this **Notice**.

~~3. CREDIT REQUIREMENTS~~

~~The amount to be secured by the **User** if Option A in the acknowledgement is deleted is set out in the Appendix to this **Notice**.~~

4. **3.** TERM

Subject to the provisions for earlier termination set out in the **CUSC**, the **User's** right to use the **National Electricity Transmission System** pursuant to this **Notice** shall continue until the **User** gives **The Company** a **Use of System**

[Interconnector] Termination Notice pursuant to Paragraph [9.23.1] of the **CUSC** or use ceases under the provisions of the **CUSC**.

We acknowledge and agree to the terms set out above.

[]

[Name of User]

Date:

~~*[Delete one of the following options:]*~~

~~**Option A: — We meet the Approved Credit Rating**~~

~~**Option B: — We do not meet the Approved Credit Rating**~~

Part II - Use of System Interconnector Confirmation Notice

CONFIRMATION

We hereby confirm that with effect from the date set out below you can use the **National Electricity Transmission System** as an **[Interconnector User / Interconnector Error Administrator]** in accordance with the terms of the **CUSC** and this **Notice**, ~~and are required to pay **Use of System Charges**.~~

[]

National Grid Electricity Transmission plc

Date:

Appendix

The amount of **Security Cover** required if Option A is deleted is: £[]

END OF EXHIBIT H



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

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

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

29 January 2013
Reference: CMP215 Self-Governance Statement

www.nationalgrid.com

Dear Abid,

This is the CUSC Modifications Panel's Self-governance Statement to the Authority for CUSC Modification Proposal (CMP) 215 'Removal of References to TNUoS charges for Interconnector BM Units and requirement to provide security cover'. National Grid has prepared this Self-governance Statement on behalf of the CUSC Modifications Panel and submits it to you in accordance with CUSC Section 8.25.1.

On 25 January 2013 the CUSC Modifications Panel considered CMP215 and confirmed unanimously that it meets the Self-governance criteria.

As such, CMP215 is unlikely to discriminate between different classes of CUSC Parties and is unlikely to have a material effect on:

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

The proposed timetable for the progression of CMP215 is as follows:

29 January 2013	Publish Code Administrator Consultation
19 February 2013	Code Administrator Consultation closes
22 February 2013	Draft CUSC Modification Report circulated
1 March 2013	Draft CUSC Modification Report comment deadline
14 March 2013	Submit final CUSC Modification Report
22 March 2013	CUSC Modifications Panel Determination

26 March 2013	Final Report circulated for Panel comment
4 April 2013	Deadline for Panel comment
16 April 2013	Appeal Window closes
1 May 2013	Implementation Date

The CMP215 form is available at

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

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

Yours Sincerely,

Emma Clark
CUSC Modifications Panel Secretary.

Annex 4 – Code Administrator Consultation Responses

Respondent:	Paul Mott
Company Name:	EDF Energy
Do you believe that CMP215 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<p>Following the implementation of CMP202 in August 2012, Interconnector Users and Error Administrators are no longer required to pay Balancing System Use of System (BSUoS) charges, and are also now exempt from TNUoS.</p> <p>We note that CMP215 aims to update the CUSC to reflect the implementation of CMP202 and the change in relation to TNUoS. It would remove certain redundant references to Security Cover and Credit Rating in Exhibit F 'The Connection and Use of System Code Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice'. The changes intend to keep Section 9 and the Exhibits up to date and make the CUSC easy to read, removing any confusion.</p> <p>We support the implementation of CMP215 as it better facilitates Applicable CUSC Objective (a) by improving clarity for CUSC Parties, by removing stranded and redundant wording.</p> <hr/> <p>For reference, the Applicable CUSC Objectives are:</p> <p><i>(h) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p><i>(i) 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>
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you agree with the decision to progress CMP215 through the Self-governance route?	Yes
Do you have any other comments?	No

Respondent:	James Anderson; james.anderson@scottishpower.com
Company Name:	ScottishPower Energy Management
Do you believe that CMP215 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	<p>For reference, the Applicable CUSC Objectives are:</p> <p>(j) <i>the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p>(k) <i>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>(c) <i>compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>ScottishPower supports the Proposal and believes that it meets the Applicable CUSC Objective (a) in this instance. Updating the relevant sections of the CUSC due to the recent changes (CMP202, GB ECM-26) ensures consistency and reduces the opportunities for misinterpretation of the Code.</p>
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes
Do you agree with the decision to progress CMP215 through the Self-governance route?	Yes, as this is primarily a “housekeeping” exercise. There is no material impact caused by this Modification.
Do you have any other comments?	No other comments.