

Attachment to Amendment Proposal

COSTS BENEFIT ANALYSIS

1. Amendment Proposal

8.15.2 A proposal made pursuant to Paragraph 8.15.1 shall be submitted in writing and shall contain the following information in relation to such proposal:

(j) where possible, a preliminary indication of the materiality of costs and benefits, and also, without prejudice, a preliminary cost/ benefit analysis of the Amendment Proposal.

2. Working Groups

8.17.8 The terms of reference of a **Working Group** must include provision in respect of the following matters:

(...) (d) the evaluation for each and any Proposal shall where applicable contain a cost/ benefit analysis of the Proposal.

3. Amendment Report

8.20.2 The matters to be included in an **Amendment Report** shall be the following (in respect of the **Amendment Proposal**):

...

(k) a cost/ benefit analysis of the impact of the **Proposed Amendment** and any **Alternative Amendment** including an assessment of all direct and indirect costs to CUSC Parties and other affected Parties.

Formatted

Amendment Proposal

[Name of Proposer]

1. THOSE WISHING TO PROPOSE AN AMENDMENT TO THE CUSC SHOULD DO SO BY FILLING IN THIS "AMENDMENT PROPOSAL FORM" THAT IS BASED ON THE PROVISIONS CONTAINED IN SECTION 8.15 OF THE CUSC. THE FORM SEEKS TO ASCERTAIN DETAILS ABOUT THE AMENDMENT PROPOSAL SO THAT THE CUSC PANEL CAN DETERMINE MORE CLEARLY WHETHER THE PROPOSAL SHOULD BE CONSIDERED BY A WORKING GROUP OR GO STRAIGHT TO WIDER NATIONAL GRID CONSULTATION.

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

2. **THE COMPLETED FORM SHOULD BE RETURNED TO:**

- 2.1 **MARK COX**

Panel Secretary
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry, CV4 8JY

- 3.

Or via e-mail to:

CUSC.Team@uk.ngrid.com

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

4. **Proposers Name:**

(Name of party making the proposal. An Amendment Proposal may be made by a CUSC Party, a BSC Party or by "energywatch")

British Energy Generation Ltd

5. Proposers Representative:

(The name of the person representing the Proposer (and his alternate) for the purposes of the Amendment Process)

Steve Phillips (alternate John Capener)

6. Organisations Name and Address:

(Organisation on whose behalf the Amendment is proposed)

*British Energy Generation Limited, Barnett Way, Barnwood,
Gloucester, GL4 3RS*

In addition to BEGL, the following CUSC Parties listed alphabetically below are joint sponsors for this Amendment Proposal:

1. *AES Drax Power Limited Selby, North Yorkshire, YO8 8PQ*
2. *Barking Power Ltd Barking Power Station, Chequers Lane, Dagenham, RM6 6PF*
3. *Deeside Power Development Company Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4DP*
4. *Enron Direct Limited Enron House, 40 Grosvenor Place, London SW1X 7EN*
5. *First Hydro Company Bala House, Lakeside Business Village, St. David's Park, Deeside, Flintshire, CH5 3XJ*
6. *Humber Power Limited South Humber Bank Power Station, South Marsh Road, Stallingborough, North East Lincolnshire, DN41 8BZ*
7. *Teesside Power Limited Dunedin House, Columbia Drive, Thornaby, Stockton On Tees, Cleveland, TS17 6 BJ*

7. Capacity in which the Organisation Proposes to make an Amendment:

(i.e. CUSC Party, BSC Party or "energywatch")

CUSC Party

8. Description of the issue or defect which the proposed Amendment seeks to address:

(This should be in reasonable, but not excessive detail)

Absence of the requirement of a cost/benefit analysis in the amendment review process.

9. Description of the proposed Amendment and of its nature and purpose:

(This should be in reasonable but not excessive detail)

To add to the matters to be addressed in an Amendment Proposal provision for a cost benefit analysis.

10. An indication of those parts of the CUSC which would require amendment in order to give effect to (or would otherwise be affected by) the proposed amendment and an indication of the nature of those amendments or effects.

(This should be given where possible)

Please refer to the attachment for suggested, indicative changes/additions to be incorporated to appropriate clauses of section 8 of the CUSC to give effect to the proposed amendment.

Please note that it is the principle of the Amendment Proposal that is to be reviewed and approved by an appropriate review/consultation process to be decided by the CUSC Amendment Panel.

This indicative text is a suggested solution which may or may not be considered exhaustive in its detail and scope.

11. Reasons why the Proposer believes that the proposed Amendment would better facilitate achievement of the Applicable CUSC Objectives as compared with the current version of the CUSC with background information in support thereof.

The Proposer considers that the proposed amendment would bring the CUSC amendment process into line with best regulatory practice of carrying out an assessment of the cost and benefit of proposed changes where applicable which are fundamental to a full and proper assessment of any Amendment Proposal and which must be taken into account before reaching a decision.

Implementing and maintaining procedures which incorporate best industry practice should form part of NGC's responsibility to achieve the efficient discharge of its obligations. This amendment will improve existing practice and will thereby better facilitate the achievement of the Applicable CUSC Objective on the efficient discharge of NGC's obligations.

In addition the amendment by improving current practice, will increase confidence in CUSC as a central part of the framework for the operation of the electricity market and help to ensure that unnecessary and excessive costs are not imposed on parties. Confidence in this framework is a key factor in the efficient operation of the market and the development of competition. By increasing confidence in this way the amendment will better facilitate the achievement of the Applicable CUSC Objective of facilitating competition in generation and supply.

12. An indication of the impact of the proposed Amendment on Core Industry Documents.

(This should be given where possible)

None

13. An indication of the impact of the proposed Amendment on relevant computer systems and processes used by CUSC Parties.

(This should be given where possible)

None

14. A statement to the effect that the Proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel a Proposer shall grant a Licence in accordance with Clause 8.15.7 of the CUSC.

(A signature to this effect must be given by a Proposer, which is not a CUSC Party)

Proposer is a CUSC Party