



Direct Dial: 020-7901-7050

1 February 2005

National Grid Electricity Transmission plc,  
CUSC Signatories and  
Other Interested Parties

Your Ref: CAP104  
Our Ref: IND/COD/CUSC/CAP104

Dear Colleague,

**Amendment to the Connection and Use of System Code (CUSC) - Decision and Direction in relation to Proposed Amendment CAP104: Amendment to system to generator inter-trip related terms concurrently defined in the Grid Code and CUSC**

The Gas and Electricity Markets Authority (the "Authority"<sup>1</sup>) has considered the issues raised in the Amendment Report<sup>2</sup> in respect of Proposed Amendment CAP104: Amendment to System to Generator Inter-trip related terms concurrently defined in the Grid Code and CUSC.

National Grid Electricity Transmission plc ("NGET") recommended to the Authority that Proposed Amendment CAP104 should be approved, and that if approved that the Implementation Date should be 10 business days after the Authority decision.

Having considered the Amendment Report and NGT's recommendation, as well as having regard to the Applicable CUSC Objectives<sup>3</sup> and Ofgem's wider statutory duties,<sup>4</sup> the Authority has decided to direct a modification to the CUSC in line with the CAP104 Amendment Proposal.

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<sup>1</sup> Ofgem is the office of the Authority. The terms Ofgem and the Authority are used interchangeably in this letter.

<sup>2</sup> CAP104 Amendment Report dated 14 October 2005

<sup>3</sup> The Applicable CUSC Objectives are contained in Standard Condition C10 of the licence to transmit electricity treated as granted to NGET under Section 6 of the Electricity Act 1989 (the "Transmission Licence") and are:

- (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.

<sup>4</sup> Ofgem's statutory duties are wider than the matters that the Panel must take into consideration and are described in section 3A of the Electricity Act 1989.

This letter explains the background to CAP104, and sets out the Authority's reasons for its decision. This letter constitutes the notice by the Authority under Section 49A of the Electricity Act 1989.

## **Background**

Amendment Proposal CAP104 seeks to modify Section 11 (Interpretation and Definitions) of the CUSC by removing the definitions of system to generator inter-trip categories and associated terms from the CUSC and replacing them with a reference to the Grid Code where they are currently defined.

CAP104 was raised by NGET and submitted for consideration by the CUSC Amendments Panel ("the Panel") on 25 August 2005. The Panel determined that Amendment Proposal CAP104 should proceed to wider industry consultation by NGET. A consultation document was published by NGET on 30 August 2005; responses were invited by the close of business on 30 September 2005. The final Amendment Report was submitted to the Authority on 14 October 2005.

## **The Amendment Proposal**

CAP104 aims to facilitate NGET's previously stated intentions in CAP076 (Treatment of System to Generator Inter-tripping Scheme). Changes to the CUSC arising from CAP076 (and changes to the Grid Code arising from A/05 which were consequential to CAP076) were implemented in July 2005. Amongst the changes to the CUSC associated with CAP076 was the addition of four categories of system to generator inter-trips within the CUSC. Owing to the concurrent nature of CAP076 and Grid Code change A/05, and the number of alternative amendment proposal options within CAP076 and A/05, it was deemed expedient to define these terms by means of change proposals to both codes.

NGET indicated in the Amendment Report for CAP076 that if CAP076 was implemented, a further proposal would be submitted to remove the definitions in the CUSC and replace them with a reference to the identical definitions within the Grid Code.

## **Respondents' views**

NGET received 4 responses to the consultation in respect of CAP104. All respondents were supportive of the Amendment Proposal on the grounds that the changes proposed would better facilitate achievement of the Applicable CUSC Objectives and that the Grid Code would be the most appropriate place for the definitions owing to their technical nature.

## **Amendments Panel Members' views**

No responses to the consultation were received from Panel Members acting in that capacity.

## **NGET's recommendation**

NGET stated that it is important to rationalise identical definitions to prevent ambiguity between codes within the industry. NGET considered that, by removing the concurrent definitions within the CUSC and the Grid Code (in line with NGET's intentions stated within CAP076), CAP104 will facilitate the efficient development of future modifications to the CUSC and prevent potential ambiguity between the CUSC and the Grid Code.

NGET recommended that Proposed Amendment CAP104 should be approved, and that if approved that the Implementation Date should be 10 business days after the Authority decision.

## **Ofgem's views**

Having considered the Amendment Report, Ofgem considers, having had regard to its statutory duties and the Applicable CUSC Objectives, that Proposed Amendment CAP104 would better facilitate the achievement of Applicable CUSC Objective (a) compared to the existing CUSC.

Ofgem notes that all four respondents to the consultation on CAP104 supported the Proposed Amendment.

Ofgem agrees with NGET that the Proposed Amendment CAP104 will facilitate the efficient development of future modifications to the CUSC and will prevent potential ambiguity between the CUSC and the Grid Code. Ofgem considers that this will better facilitate the efficient discharge by NGET of the obligations imposed on it under the Act and its transmission licence.

Ofgem notes that the Amendment Report states that the CUSC definitions of system to generator inter-trip categories and associated terms (identified in Annex 2 of the Amendment Report) are identical to the definitions contained in the Grid Code. Ofgem has compared the 2 sets of definitions and is satisfied that the definitions in the CUSC and the Grid Code have the same effect, albeit that the words are not identical.

Ofgem agrees with respondents that the Grid Code is the most appropriate place for these definitions, due to their technical nature.

## **The Authority's Direction**

The Authority has decided to direct that the Amendment Proposal for CAP104 as set out in the Amendment Report, should be made and implemented.

Having regard to the above, the Authority, in accordance with Condition C10.7(a) of the licence to transmit electricity granted to NGET under Section 6 of the Electricity Act 1989 (the "Transmission Licence"), hereby directs NGET to modify the CUSC in accordance with the Amendment Proposal as set out in the Amendment Report.

The modification is to be implemented and take effect from 10 Business days after the date of this direction.

In accordance with Condition C10.7(c) of NGET's Transmission Licence, NGET shall modify the CUSC in accordance with this direction of the Authority.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number.

Yours sincerely,



**Robert Hull**  
**Director, Transmission**

Signed on behalf of the Authority and authorised for that purpose by the Authority