

CUSC Amendment Proposal Form	CAP: 096
<p>Title of Amendment Proposal:</p> <p>Revisions Resulting from Interconnector Separation</p>	
<p>Description of the Proposed Amendment <i>(mandatory by proposer):</i></p> <p>The amendment removes certain provisions in the CUSC relating to the French Interconnector. This is currently part of National Grid Company plc (NGC), but is in the process of being transferred into a separate legal entity, NGT Interconnectors Ltd (NGTIL), as part of the process of interconnector licensing. Once this separation has occurred, it will be appropriate to amend the CUSC to reflect the consequential effects of separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i></p> <p>Section 9.19 of the CUSC states that “Where the Interconnector Error Administrator is NGC or Interconnectors Business, the User for the purposes of this Part II will be NGC”. “Interconnectors Business” is defined as “the business of NGC or any Affiliate or Relating Undertaking in the ownership and/or operation of any Interconnector”, where the definition of “Affiliate” includes “any subsidiary of a holding company of NGC”. Therefore, the definition of “Interconnectors Business” could include NGTIL, and the User for the purposes of Section 9, Part II would default back to NGC, contrary to the objectives of the separation process. It is therefore proposed to remove the reference to “Interconnectors Business” from section 9.19, and indeed to delete it as a defined term.</p> <p>The proposed amendment also seeks to remove references to “Existing Contractual Arrangements” that will be redundant once NGTIL assumes NGC’s responsibilities with regards to the French Interconnector.</p>	
<p>Impact on the CUSC <i>(this should be given where possible):</i></p> <p>Revisions to sections 9.2, 9.19 and 9.23 of the CUSC to remove the references to “Interconnectors Business” and “Existing Contractual Arrangements”. Deletion of the definitions of “Existing Contractual Arrangements”, “Interconnectors Business” and “Separate Business”. Revision to the definition of “Transmission Business”.</p>	
<p>Impact on Core Industry Documentation <i>(this should be given where possible):</i></p> <p>None anticipated.</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i></p> <p>None anticipated.</p>	

<p>Details of any Related Modifications to Other Industry Codes (<i>where known</i>):</p> <p>None anticipated.</p>
<p>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (<i>mandatory by proposer</i>):</p> <p>Reflecting the consequential effects of Interconnector licensing and separation will allow NGC to better facilitate effective competition in the generation and supply of electricity.</p>

<p>Details of Proposer: Organisation's Name:</p>	<p>NGC</p>
<p>Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")</p>	<p>CUSC party</p>
<p>Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:</p>	<p>Andrew Truswell National Grid Company plc 01926 656388 andrew.truswell@ngtuk.com</p>
<p>Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:</p>	<p>Ben Graff National Grid Company plc 01926 656312 ben.graff@ngtuk.com</p>
<p>Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Indicative Draft Legal Text for Sections 9 and 11 of the CUSC (3 pages)</p>	

Notes:

- 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 Amendments 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 Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn
Panel Secretary

Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
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 that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C10, paragraph 1. Reference should be made to this section when considering a proposed amendment.

Attachment 1: Indicative Draft Legal Text

CUSC - SECTION 9

9.2 CONNECTION – INTRODUCTION

This Part I deals with connection to the **GB Transmission System** by an **Interconnector Owner**. The **User** for the purposes of this Part I will therefore be the **Interconnector Owner**. ~~Given that the Existing Contractual Arrangements in respect of the Interconnector between England and France were not as at the CUSC Implementation Date governed by the MCUSA there is no obligation for the Interconnector Owner in that case to enter into Part 1 of Section 9 as at the CUSC Implementation Date provided always that upon termination of such Existing Contractual Arrangements any subsequent Connection to the GB Transmission System shall be entered into and governed by the terms of this CUSC.~~

9.19 INTRODUCTION

This Part II deals with rights and obligations relating to use of the **GB Transmission System** by **Interconnector Users** and **Interconnector Error Administrators** ~~(whether in respect of an Interconnector governed by the Existing Contractual Arrangements or otherwise)~~. An **Interconnector Error Administrator** is deemed to be using the **GB Transmission System** because of its registered **BM Units** in respect of which it has an obligation to pay **Balancing Services Use of System Charges**. The **User** for the purposes of this Part II will therefore be an **Interconnector User** and/or an **Interconnector Error Administrator**. Where the **Interconnector Error Administrator** is **NGC** ~~or Interconnectors Business~~, the **User** for the purposes of this Part II will be **NGC**.

9.23 TERMINATION AND RELATED PROVISIONS

9.23.1 A **User** may terminate its use of the **GB Transmission System** by giving **NGC** a **Use of System Termination Notice** not less than 28 days prior to such termination of use and the right to use the **GB Transmission System** shall cease upon the termination date in the **Use of System Termination Notice**.

9.23.2.1 Use shall cease forthwith upon:

- (a) There ceasing to be a **Bilateral Connection Agreement** ~~or termination of the Existing Contractual Arrangements~~ for the **Connection Site** of the relevant **Interconnector**;
- (b) disconnection of the **Connection Site** of the relevant **Interconnector** pursuant to Section 5 ~~or, in the case of the French~~

~~Interconnector, pursuant to the Existing Contractual Arrangements;~~

(c) an **Event of Default** by the **User** as provided for in Section 5.

9.23.2.2 Use shall be suspended for the period of any **Deenergisation** of the **Connection Site** of the relevant **Interconnector** pursuant to the **CUSC**, ~~or in the case of the French Interconnector, the Existing Contractual Arrangements.~~

9.23.3 Prior to termination by a **User** under Paragraph 9.23.1 above, the **User** shall pay to **NGC** all **Balancing Services Use of System Charges** payable by the **User** in respect of the **Financial Year** in which the cessation takes place.

9.23.4 Termination of use under this Paragraph 9.23 shall not relieve a User of its obligation under 9.22 to pay any outstanding **Balancing Services use of System Charges** in respect of any **Settlement Day** for which the **Payment Date** fell after the date of the termination of use.

~~9.23.5 The right of **NGC** to request the **Interconnector Owner** to cease or procure the cessation of the transfer of power across the relevant **Interconnector** as provided for in Paragraph 9.17 and Section 5 of the **CUSC** is subject, in the case of the French **Interconnector**, to the **Existing Contractual Arrangements** providing for this.~~

CUSC - SECTION 11

“Existing Contractual Arrangements”

~~shall mean in the case of the **Interconnector** between England and France existing as at the **CUSC Implementation Date** the Interconnector Framework Agreement made between **NGC** and **R.T.E.** dated 11 December 2000 as amended from time to time, the Operating Agreement known as the “Procedures for Operation of the Cross Channel Link Pink Version or Version Rose” dated 3 April 1989 as amended from time to time and the Protocol between **CEGB** and **Electricité de France** dated 16 June 1981 and in the case of the **Interconnector** between England and Scotland existing as at the **CUSC Implementation Date** the Use of Interconnector Agreement (Scotland) 1991 made between **NGC** and **Scottish Power plc** and **Scottish Hydro Electric plc** dated 30 April 1991 as amended from time to time and the **British Grid Systems Agreement**;~~

~~“Interconnectors Business”~~

~~the business of NGC or any Affiliate or Related Undertaking in the ownership and/or operation of any Interconnector;~~

“Separate Business”

~~each of the Transmission and Interconnectors Businesses~~ taken separately from ~~one another and from~~ any other business of NGC, but so that where all or any part of such business is carried out by an **Affiliate** or **Related Undertaking** of NGC such part of the business as is carried out by that **Affiliate** or **Related Undertaking** shall be consolidated with any other such business of NGC (and of any other **Affiliate** or **Related Undertaking**) so as to form a single **Separate Business**;