



National Grid

AMENDMENT REPORT

CUSC Proposed Amendment CAP074

Generation Reconciliation Statements, Date Change

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP074

Amendment Ref	CAP074
Issue	1.0
Date of Issue	14/10/04
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1	25/08/04	National Grid	Draft for industry comment
0.2	5/10/04	National Grid	Draft for Industry comment (following further consultation post BETTA Go Active)
1.0	14/10/04	National Grid	Formal version for submission to the Authority

b Document Location

Nation Grid Website:

<http://www.nationalgrid.com/uk/indinfo/cusc>

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATION

- 1.1 CAP074 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 25th June 2004. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.
- 1.2 The wider consultation inviting views on CUSC Amendment Proposal CAP074 was concluded on Friday 30th July 2004. One respondent, proposed an Alternative to the proposed CAP074 legal text. Under the terms of the CUSC this required a further period of consultation to be undertaken in order to allow the Industry to consider the proposed Consultation Alternative. A further consultation period was considered appropriate following the designation of a GB-wide CUSC and the commencement of BETTA Go Active on 1st September 2004. All the correspondence received in response to the Original Consultation, Alternative Consultation and the further consultation post BETTA Go Active are contained in Annexes 3 & 4.
- 1.3 CAP074 proposes to introduce an obligation on National Grid Transco to produce Generation Reconciliation Statements by 30th April in each financial year. Currently, National Grid Transco has an obligation to produce these statements by the 31st of March. The Consultation Alternative Amendment CAP074 supports the Original Proposal and provides a further tidy up of the cross-referencing within the proposed text.

National Grid Recommendation

- 1.4 National Grid recommends the implementation of CAP074 Consultation Alternative Amendment.

2.0 PURPOSE AND SCOPE OF THE REPORT

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses issues relating to CAP074 Generation Reconciliation Statements, Date Change and the Consultation Alternative Amendment.
- 2.2 Further to the submission of Amendment Proposal CAP074 (see Annex 1) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP074.
- 2.3 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 and 4 to this document.
- 2.4 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/indinfo/cusc>

3.0 THE PROPOSED AMENDMENT

Background

- 3.1 CAP074 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 25th June 2004. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.

The Proposed Amendment

- 3.2 NGC produces Generation Reconciliation Statements in respect of generation related Transmission Network Use of System (TNUoS) Charges to be sent to Users on an annual basis. Previous versions of the CUSC have, in Paragraph 3.12.2 required NGC to produce these by 31st March in each financial year. This paragraph was erroneously deleted by CAP065, but its reinstatement is proposed by CAP072. As a consequence of CAP043, NGC is proposing the introduction of a paragraph (to be numbered 3.13.2, following the implementation of CAP055) that would require NGC to produce Generation Reconciliation Statements by 30th April of each financial year.
- 3.2 Prior to CAP043, Users annual TNUoS generation liabilities were incurred up to 28th February, giving NGC a clear month to calculate reconciliation amounts. One effect of CAP043 was to extend the period in which liabilities could be incurred to 31st March of each financial year. Generators with offers for increased TEC can sign these up to the end of the financial year. This significantly reduces the viability of calculating reconciliation charges and in some instances makes it impossible for Users to have received them by 31st March. NGC therefore believes that a paragraph should be introduced into the CUSC stating that NGC should produce Generation Reconciliation Statements and send them to Users by 30th April in each Financial Year. This would again allow NGC a clear month in which to calculate the reconciliation charges.

4.0 IMPLEMENTATION AND TIMESCALES

- 4.1 It is proposed that implementation takes place with effect from 10 days after the Authority's decision. NGC also recommends that a decision should be made on CAP074 by early February 2005 otherwise it would not be possible to implement CAP074 in time for provision of the Generation Reconciliation Statements by the end of April 2005.

5.0 IMPACT ON THE CUSC

- 5.1 CAP074 would require amendments to paragraphs 3.13.2 – 3.13.8 inclusive.
- 5.2 The text required to give effect to the Proposed Amendment is contained as Annex 2(a) of this document. The text required to give effect to the Proposed Consultation Alternative is contained as Annex 2(b) of this document.

6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 6.1 Introducing this paragraph into the CUSC will enable National Grid to efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity. National Grid supports the Consultation Alternative as the tidying of the cross-referencing within the text is a further improvement.

7.0 IMPACT ON CUSC PARTIES

- 7.1 The amendment will delay the arrival with Users of their Generation Reconciliation Statements as the deadline for production will change from 31st March to 30th April of each year.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

The Proposed Amendment will have no impact on Core Industry Documents or other industry documentation or require any changes to computer systems established under Core Industry documents.

9.0 ALTERNATIVE AMENDMENT

Description of Alternative Amendment

- 9.1 The CAP074 Consultation Alternative Amendment enhances the proposals outlined in the Original Proposal by providing a further tidy up of the cross-referencing within the proposed text.

Impact of Alternative Amendment on CUSC

- 9.2 CAP074 Consultation Alternative would require amendments to paragraphs 3.13.2 – 3.13.8 inclusive.
- 9.3 The text required to give effect to the Proposed Amendment is contained as Annex 2(a) of this document. The text required to give effect to the Proposed Consultation Alternative is contained as Annex 2(b) of this document.

Assessment Against Applicable CUSC Objectives

- 9.4 Introducing this paragraph into the CUSC will enable National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity. National Grid supports the Consultation Alternative as the tidying of the cross-referencing within the text is a further improvement.

Implementation and Timescales

- 9.5 As with the original Amendment Proposal, if the Authority should approve implementation of the Alternative Amendment this should take place with effect from 10 days after the Authority's decision. A decision should also be made on the Alternative Amendment by early February 2005 otherwise it would not be possible to implement the Alternative Amendment in time for provision of the Generation Reconciliation Statements by the end of April 2005

10.0 VIEWS AND REPRESENTATIONS

10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment and the Alternative Amendment.

Views of Panel Members

10.2 No responses have been received from Panel Members noting any impact of CAP074.

View of Core Industry Document Owners

10.3 No responses have been received from Core Industry document owners noting any impact of CAP074 on Core Industry documents.

Responses to Consultation

10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP074-CR-01	Centrica	Yes	
CAP074-CR-02	E.On	Yes	Also supplied alternative legal text for further clarification
CAP074-CR-03	EdF Energy	Yes	

10.5 The following table provides an overview of the representations received in response to the Consultation Alternative Amendment and the further consultation post BETTA Go Active. Copies of these representations are attached as Annex 4.

Reference	Company	Supportive	Comments
CAP074-AACR-01	Centrica	Yes	
CAP074-AACR-02	British Energy	Yes	Also suggests a change to the wording of the Consultation Alternative Amendment (CAA) but at this stage it is not possible to put forward a further (CAA) under CUSC. NGC believes the wording in the existing CAA is adequate to meet the respondent's point when read in conjunction with Paragraphs 3.13.1 & 3.13.4.
CAP074-2AACR-01	EdF Energy	Yes	

11.0 SUMMARY OF PANEL MEMBERS VIEWS

- 11.1 The Panel considered CAP074 at its meeting on 25th June 2004. The Panel agreed that CAP074 should go straight to industry consultation.

12.0 NATIONAL GRID RECOMMENDATION

- 12.0 National Grid recommends approval of CAP074, Consultation Alternative as it provides all the benefits of the Original Amendment and further improves the clarity of the cross-referencing in the affected paragraphs. Were the Alternative not to be approved we would recommend the approval of the Original Amendment Proposal as this still better facilitates the Applicable CUSC Objectives.

13.0 COMMENTS ON DRAFT AMENDMENT REPORT

13.1 National Grid received 1 response following the publication of the draft Amendment Report. The following table provides an overview of the representation. A Copy of the representation is attached as Annex 5.

Reference	Company	Summary of Comments
CAP074-AR-01	Steve Drummond (Panel Member)	Make clear that the implementation timescales for the Consultation Alternative Amendment are the same as for the original Amendment Proposal. NGC agreed with this comment and amended the Report accordingly.

Annex 1 - Amendment Proposal Form

CUSC Amendment Proposal Form	CAP: 074
Title of Amendment Proposal:	
Generation Reconciliation Statements – Date Change	
Description of the Proposed Amendment (mandatory by proposer):	
<p>NGC produces Generation Reconciliation Statements in respect of generation related Transmission Network Use of System (TNUoS) Charges to be sent to Users on an annual basis. Previous versions of the CUSC have, in Paragraph 3.12.2 required NGC to produce these by 31st March. This paragraph was erroneously deleted by CAP065, but its reinstatement is proposed by CAP072. However, as a consequence of CAP043, NGC is proposing the introduction of a paragraph (to be numbered 3.13.2, following the implementation of CAP055) that would require NGC to produce Generation Reconciliation Statements by 30th April.</p>	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):	
<p>Prior to CAP043, User's annual TNUoS generation liabilities were incurred up to 28th February, giving NGC a clear month to calculate reconciliation amounts. One effect of CAP043 was to extend the period in which liabilities could be incurred to 31st March. Generators with offers for increased TEC can sign these right up until the end of the Financial Year. This means that, in some situations, calculating reconciliation charges and sending these to Users by 31st March may now prove exceptionally difficult, if not impossible. NGC therefore believes that a paragraph should be introduced into the CUSC stating that NGC should produce Generation Reconciliation Statements and send them to Users by 30th April. This would again give a NGC a clear month to calculate reconciliation charges.</p>	
Impact on the CUSC (this should be given where possible):	
<p>CAP074 is interactive with CAP072. The Authority should therefore consider its decision on CAP072 before CAP074. If CAP072 is rejected, CAP074 will add a new paragraph 3.13.2 to the CUSC with consequential re-numbering of subsequent paragraphs. If CAP072 is approved then only the date in 3.13.2 needs to be changed to implement CAP074. Indicative legal text covering these eventualities is provided.</p>	
Impact on Core Industry Documentation (this should be given where possible):	
None.	
Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):	
None.	
Details of any Related Modifications to Other Industry Codes (where known):	
CAP072 – Generation Reconciliation Statements	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory)	

by proposer):

Introducing this paragraph into the CUSC will enable National Grid to more easily and Efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its Obligations to facilitate competition in the generation and supply of electricity.

Details of Proposer: Organisation's Name:	The National Grid Company plc
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	<i>Andrew Truswell</i> <i>National Grid Company plc</i> <i>01926 656388</i> andrew.truswell@ngtuk.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Ben Graff National Grid Company plc 01926 656312 ben.graff@ngtuk.com
Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Text of proposed Paragraph 3.13.2 if CAP072 is rejected or amendment of date in 3.13.2 if CAP072 is approved. (2 pages)	

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 C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

Text of Paragraph 3.13.2 for insertion into the CUSC if CAP072 is rejected before CAP074 consideration

Following the insertion of the Paragraph below all consequential Paragraphs and references contained therein will be re-numbered accordingly as follows:

Existing Paragraph	New Paragraph Number
3.13.2	3.13.3
3.13.3	3.13.4
3.13.4	3.13.5
3.13.5	3.13.6
3.13.6	3.13.7
3.13.7	3.13.8

Reference in the existing Paragraph 3.13.2 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.4 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

References in the existing Paragraph 3.13.5 (a) to Paragraphs 3.13.3 and 3.13.5 will become references to Paragraphs 3.13.4 and 3.13.6 respectively.

Reference in the existing Paragraph 3.13.6 (a) (i) to Paragraph 3.13.4 will become a reference to Paragraph 3.13.5.

Reference in the existing Paragraph 3.13.6 (a) (iii) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.6 (b) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7

Generation Reconciliation Statement

3.13.2 As soon as reasonably practicable and in any event by 30 April in each Financial Year NGC 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.

Text of Paragraph 3.13.2 for insertion into the CUSC if CAP072 is approved before CAP074 consideration

Generation Reconciliation Statement

- 3.13.2 As soon as reasonably practicable and in any event by ~~31 March~~ 30 April in each **Financial Year** **NGC** 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.

Annex 2 – Proposed Text to modify CUSC

Part A - Text to give effect to the Proposed Amendment

For the avoidance of doubt, text to be added is shown in colour and underlined. Text to be removed is shown in colour and strike-out. The wording of both versions of legal text is consistent with the wording in the surrounding paragraphs. The relevant Financial Year referred to is the preceding Financial Year, as stated in paragraph 3.13.1.

CHANGE MARKED VERSION

Text of Paragraph 3.13.2 for insertion in to the CUSC if CAP072 is rejected before CAP074 consideration.

Following the insertion of the Paragraph below all consequential Paragraphs and references contained therein will be re-numbered accordingly as follows:

Existing Paragraph	New Paragraph Number
3.13.2	3.13.3
3.13.3	3.13.4
3.13.4	3.13.5
3.13.5	3.13.6
3.13.6	3.13.7
3.13.7	3.13.8

Reference in the existing Paragraph 3.13.2 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.4 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

References in the existing Paragraph 3.13.5 (a) to Paragraphs 3.13.3 and 3.13.5 will become references to Paragraphs 3.13.4 and 3.13.6 respectively.

Reference in the existing Paragraph 3.13.6 (a) (i) to Paragraph 3.13.4 will become a reference to Paragraph 3.13.5.

Reference in the existing Paragraph 3.13.6 (a) (iii) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.6 (b) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7

Generation Reconciliation Statement

3.13.2 As soon as reasonably practicable and in any event by 30 April in each Financial Year, NGC 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.

Text of Paragraph 3.13.2 for insertion into the CUSC if CAP072 is approved before CAP074 considerationGeneration Reconciliation Statement

- 3.13.2. As soon as reasonably practicable and in any event by ~~31 March~~ 30 April in each **Financial Year**, **NGC** 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.

CLEAN VERSION**Text of Paragraph 3.13.2 for insertion in to the CUSC if CAP072 is rejected before CAP074 consideration.**

Following the insertion of the Paragraph below all consequential Paragraphs and references contained therein will be re-numbered accordingly as follows:

Existing Paragraph	New Paragraph Number
3.13.2	3.13.3
3.13.3	3.13.4
3.13.4	3.13.5
3.13.5	3.13.6
3.13.6	3.13.7
3.13.7	3.13.8

Reference in the existing Paragraph 3.13.2 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.4 to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

References in the existing Paragraph 3.13.5 (a) to Paragraphs 3.13.3 and 3.13.5 will become references to Paragraphs 3.13.4 and 3.13.6 respectively.

Reference in the existing Paragraph 3.13.6 (a) (i) to Paragraph 3.13.4 will become a reference to Paragraph 3.13.5.

Reference in the existing Paragraph 3.13.6 (a) (iii) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7.

Reference in the existing Paragraph 3.13.6 (b) to Paragraph 3.13.6 will become a reference to Paragraph 3.13.7

Generation Reconciliation Statement

3.13.3 As soon as reasonably practicable and in any event by 30 April in each **Financial Year**, **NGC** 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.

Text of Paragraph 3.13.2 for insertion into the CUSC if CAP072 is approved before CAP074 consideration

Generation Reconciliation Statement

- 3.13.2. As soon as reasonably practicable and in any event by 30 April in each **Financial Year**, **NGC** 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.

Part B - Text to give effect to the Alternative Amendment

For the avoidance of doubt, text to be added is shown in colour and underlined. Text to be removed is shown in colour and strike-out. The wording of both versions of legal text is consistent with the wording in the surrounding paragraphs. The relevant Financial Year referred to is the preceding Financial Year, as stated in paragraph 3.13.1.

CHANGE MARKED VERSION

Following the approval of CAP072 on 7th July, and the insertion of paragraph 3.13.2 the following paragraphs were re-numbered and the cross-referencing updated.

The Consultation Alternative proposed by CAP074-CR-02 corrects the errors in the cross-referencing as a consequence of drafting for CAP065 and CAP072. All other details remain unchanged from the original Amendment. The cross referencing changes proposed by the Alternative Amendment are shown in strikeout and underlining. (The proposed changes have been tabulated for the purposes of clarity.)

Pre-CAP072 Paragraph No.	Cross References Para No.	Post CAP072 Paragraph No.	Cross References Paragraph No.	CAP074AA Proposed changes to Cross Reference
-		3.13.2		
3.13.2	13.3.6	3.13.3	3.13.7	13.3. 76
3.13.3		3.13.4		
3.13.4	3.13.6	3.13.5	3.13.7	3.13. 76
3.13.5(a)	3.13.3 & 3.13.5	3.13.6 (a)	3.13.4 & 3.13.6	3.13. 43 & 3.13. 65
3.13.6 (a) (i)	3.13.4	3.13.7	3.13.5	3.13. 54
3.13.6 (a) (iii)	3.13.6	3.13.7 (a) (iii)	3.13.7	3.13. 76
3.13.6 (b)	3.13.6	3.13.7 (b)	3.13.7	3.13. 76

Generation Reconciliation Statement

3.13.2. As soon as reasonably practicable and in any event by ~~31 March~~30 April in each **Financial Year**, **NGC** 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.

CLEAN VERSION

Following the approval of CAP072 on 7th July, and the insertion of paragraph 3.13.2 the following paragraphs were re-numbered and the cross-referencing updated.

Pre-CAP072 Paragraph No.	Cross References Para No.	Post CAP072 Paragraph No.	Cross References Paragraph No.	CAP074AA Proposed changes to Cross Reference
-		3.13.2		
3.13.2	13.3.6	3.13.3	3.13.7	13.3.6
3.13.3		3.13.4		
3.13.4	3.13.6	3.13.5	3.13.7	3.13.6
3.13.5(a)	3.13.3 & 3.13.5	3.13.6 (a)	3.13.4 & 3.13.6	3.13.3 & 3.13.5
3.13.6 (a) (i)	3.13.4	3.13.7	3.13.5	3.13.4
3.13.6 (a) (iii)	3.13.6	3.13.7 (a) (iii)	3.13.7	3.13.6
3.13.6 (b)	3.13.6	3.13.7 (b)	3.13.7	3.13.6

The Consultation Alternative proposed by CAP074-CR-02 corrects the errors in the cross-referencing as a consequence of drafting for CAP065 and CAP072. All other details remain unchanged from the original Amendment.

Generation Reconciliation Statement

- 3.13.2. As soon as reasonably practicable and in any event by 30 April in each **Financial Year**, **NGC** 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.

Annex 3 – Copies of Representations Received to Consultation

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 2nd July 2004, requesting comments by close of business on 30th July 2004).

Representations were received from the following parties:

No.	Company	File Number
1	Centrica	CAP074-CR-01
2	E.On	CAP074-CR-02
3	EdF Energy	CAP074-CR-03

Reference	CAP074-CR-01
Company	Centrica

The Centrica logo features the word "centrica" in a bold, blue, lowercase sans-serif font. A small orange circle is positioned above the letter 'i'.

taking care of the essentials

Lindsey Paradine
Commercial
National Grid Transco
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

Centrica Energy

Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD

Tel. (01753) 431052
Fax (01753) 431150
www.centrica.com
Our Ref.
Your Ref.
14 October 2004

Dear Diane,

CUSC Amendment Proposal CAP074

Centrica welcomes the opportunity to comment on the above consultation document and supports the implementation of the amendment proposal. Centrica believes CAP074 better facilitates the Applicable CUSC Objectives.

Centrica believes the legal text would benefit from some further clarification. The draft text makes reference to the 'relevant financial year' this could cause confusion when reading the sub-section. Making 'relevant financial year' a defined term or more explicitly defining the period to which the comment relates may help to avoid confusion.

If you have any questions regarding this response please ring me 01753 431137.

Yours sincerely,

Mark Manley
Contract Manager

Reference	CAP074-CR-02
Company	E.On

Please see separate .pdf file.

Reference	CAP074-CR-03
Company	EdF Energy

**Our Ref
Your**

Lindsey Paradine
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

**Date** 30 July 2004

Dear Lindsey

*CUSC Amendment proposal CAP074:
Generation Reconciliation Statements – Date Change*

EDF Energy are pleased to have the opportunity to respond to this consultation on a date change for the Generation Reconciliation Statements.

We note that CAP72 has now been approved, reinstating the 31 March as the date by which National Grid must produce Generation Reconciliation Statements. The effect of CAP74 therefore would be to simply change this date to 30 April.

We believe that the proposed change of date to 30 April would provide a reasonable amount of time from the end date of the charging year for National Grid to calculate any reconciliation charges and to produce the Generation Reconciliation Statements. We agree with National Grid that the current date of 31 March may not be feasible given that charging liabilities can be now incurred up until this date as a result of the changes introduced by CAP043.

EDF Energy therefore support the proposed amendment as we believe that it will better achieve the Applicable CUSC Objectives by enabling National Grid to efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.

If you have any queries regarding this response please contact me on 0207 752 2526.

Yours sincerely

Rupert Judson
Transmission Infrastructure
& Development Manager

Annex 4 – Copies of Representations Received to Consultation Alternative Amendment Consultation and the further consultation post BETTA Go Active

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on 5th August 2004, requesting comments by close of business on 18th August 2004). It also includes comments received following the further consultation initiated post BETTA Go Active (closed on 1st October 2004)

Representations were received from the following parties:

No.	Company	File Number
1	Centrica	CAP074-AACR-01
2	British Energy	CAP074-AACR-02
3	EdF Energy	CAP074-2AACR-01

Reference	CAP074-AACR-01
Company	Centrica

The Centrica logo features the word "centrica" in a bold, blue, lowercase sans-serif font. A horizontal blue line is positioned below the text.

taking care of the essentials

Lindsey Paradine
Commercial
National Grid Transco
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

Centrica Energy

**Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD**

Tel. (01753) 431052
Fax (01753) 431150
www.centrica.com
Our Ref.
Your Ref.
14 October 2004

Dear Lindsey,

CUSC Amendment Proposal CAP074

Centrica welcomes the re-consultation on CAP074 following the approval of CAP072. Centrica continues to support the stated aim of CAP074 and believes that the Alternative Proposal proposed by E.ON better facilitates the Applicable CUSC Objectives. This is on the grounds of efficiency as the Alternative Proposal provides the correct legal text to deliver the intended aim.

In the last consultation Centrica raised some concerns regarding the definition of the term 'relevant financial year'. Centrica welcomes the amended text, which provides additional clarity and removes any potential confusion that may have resulted.

If you have any questions regarding this response please ring me 01753 431137.

Yours sincerely,

Mark Manley
Contract Manager

Reference	CAP074-AACR-02
Company	British Energy

"mailto:GoldIC@ngtuk.com"
"mailto:steve.phillips@british-energy.com"
"mailto:rachel.lockley@british-energy.com"
martin.mate@british-energy.

Having reviewed the above document British Energy has the following comments. It is possible to interpret the proposed legal text (reproduced below) as imposing an obligation on NGC to prepare a statement for the 'relevant Financial Year' 'by 30 April in each Financial Year' i.e. by 30 April every year until the end of time for each 'relevant Financial Year'. This interpretation could be eliminated by changing 'by 30 April in each Financial Year' to 'by 30 April in the Financial Year immediately following the relevant Financial Year'. This is assuming that relevant Financial Year is somewhere defined to be the Financial Year for which charges are being reconciled, and not something else.

'3.13.2. As soon as reasonably practicable and in any event by 30 April in the Financial Year immediately following the relevant Financial Year, NGC 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.'

Kind Regards

John

John Capener
Head of Transmission & Trading Arrangements
British Energy Power & Energy Trading Ltd
Telephone 01452 654182
Fax 01452 653715
email john.capener@british-energy.com

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Reference	CAP074-2AACR-01
Company	EdF Energy

**Our Ref
Your**

Richard Dunn
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Date 27 September 2004

Dear Richard

*CUSC Amendment proposal CAP074:
Generation Reconciliation Statements – Date Change*

EDF Energy are pleased to have the opportunity to respond to this additional consultation on a date change for the Generation Reconciliation Statements. In responding to this consultation we have considered the amendment in the context of the GB CUSC which has now been designated.

We believe that the proposed change of date from 31 March to 30 April would allow National Grid reasonable time to calculate any reconciliation charges and to produce the Generation Reconciliation Statements taking into account any changes in liabilities that may have occurred up to the end of the charging year.

EDF Energy therefore support the proposed amendment as we believe that it will better achieve the Applicable CUSC Objectives by enabling National Grid to efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.

If you have any queries regarding this response please contact me on 0207 752 2526.

Yours sincerely

Rupert Judson
Transmission Infrastructure
& Development Manager

Annex 5 – Copies of Comments received on the Draft Amendment Report

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on 6th October 2004), requesting comments by close of business on 13th October 2004.

Representations were received from the following parties:

No.	Company	File Number
1	Steve Drummond (Panel Member)	CAP074-AR-01

Reference	CAP074-AR-1
Company	Steve Drummond (Panel Member)

-----Original Message-----

From: Steve Drummond [mailto:s.drummond@btinternet.com]
Sent: 11 October 2004 16:55
To: GoldIC, Industry Codes; Hugh Conway; David Lane; steve.drummond@edftrading.com; Graff, Ben; David Edward; Dick Cecil; Greasley, John; Malcolm Taylor; Paul Jones; Court, Richard; Dunn, Richard; Bob Brown; Rupert Judson; Russell Reading; Simon Goldring; Steve Phillips; Murray, Chris J
Subject: Re: CAP074 (Generation Reconciliation Statements - Date Change) Draft Amendment Report

Thanks Richard, I'm generally happy with the draft report. For completeness you could reiterate in Section 9 that the implementation date remains as stated for the original amendment proposal. A 'picky' point I know, I only mention it as it is specifically listed under 8.20.2(g).

Regards

Steve

----- Original Message -----

From: "GoldIC, Industry Codes" <Goldic@ngtuk.com>
To: "Hugh Conway" <hughconway@carlectra.demon.co.uk>; "David Lane" <David@clearenergy.co.uk>; <steve.drummond@edftrading.com>; "Graff, Ben" <Ben.Graff@ngtuk.com>; "David Edward" <david.edward@ofgem.gov.uk>; "Dick Cecil" <dick_cecil@lineone.net>; "Greasley, John" <John.Greasley@ngtuk.com>; "Malcolm Taylor" <mtaylor@aepuk.com>; "Paul Jones" <paul.jones@eon-uk.com>; "Court, Richard" <Richard.Court@ngtuk.com>; "Dunn, Richard" <Richard.Dunn@ngtuk.com>; "Bob Brown" <robert.brown14@tiscali.co.uk>; "Rupert Judson" <rupert.judson@edfenergy.com>; "Russell Reading" <russell.reading@gazdefranceenergy.co.uk>; "Simon Goldring" <eleccode@centrica.co.uk>; "Steve Drummond" <s.drummond@btinternet.com>; "Steve Phillips" <steve.phillips@british-energy.com>; "Murray, Chris J" <Chris.J.Murray@ngtuk.com>
Sent: Wednesday, October 06, 2004 4:24 PM
Subject: CAP074 (Generation Reconciliation Statements - Date Change) Draft Amendment Report

The further industry consultation for CAP074 post BETTA Go Active has concluded. The final date for submission of responses to issues raised by the further consultation was 1st October.

Please find attached a DRAFT Amendment Report for CAP074 produced in accordance with Clause 8.20 of the CUSC and circulated for comment in

accordance with Clause 8.20.3. A copy of this draft Report will shortly also be available on the National Grid CUSC Website.

Respondents to Industry Consultation:

The purpose of circulation of draft Amendment Reports is to allow respondents to consultations to ensure their views and issues raised have been accurately reflected and where appropriate, addressed within the report.

Panel Members:

The draft Amendment Report also enables Panel Members to notify National Grid if they believe that the Report has addressed all the issues as required by Paragraph 8.20.2 of the CUSC.

The final Amendment Report will be furnished to the Authority on 15th October for determination.

Please send any comments to richard.dunn@ngtuk.com by close of business on Wednesday 13th October.

Richard Dunn
Commercial Frameworks
CUSC Panel Secretary
01926 656211
richard.dunn@ngtuk.com

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