



National Grid

CONSULTATION DOCUMENT

CUSC Amendment Proposals CAP056 to CAP066

“Housekeeping” Amendments

The purpose of this document is to consult on Amendment Proposals CAP 056 to 066 with CUSC Parties and other interested Industry members

Amendment Ref	CAP056 –CAP066
Issue	0.1
Date of Issue	03 October 2003
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	03/10/03	National Grid	Initial Draft for internal comment

b Document Location

National Grid website:

http://www.nationalgridinfo.co.uk/cusc/mn_consultation_index.html

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

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1.0 SUMMARY

- 1.1 CUSC Amendment Proposals CAP056 to CAP066 were proposed by National Grid and submitted to the Amendments Panel for consideration at their meeting on 18th September 2003. The Amendments Panel determined that the Amendment Proposals should go straight to wider industry consultation.
- 1.2 CAPs056–066 are “housekeeping” amendments and propose to correct a number of minor errors in the CUSC, such as incorrect paragraph numbering, spelling errors, incorrect cross-references and obsolete provisions.
- 1.3 This document initiates the wider industry consultation process and invites views on CUSC Amendment Proposals CAP056 to 066. The consultation closing date is **24th October 2003**.

2.0 INTRODUCTION

- ~~1.1~~ **2.1** This consultation document is 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.
- 2.2 This document outlines the nature of the CUSC changes that are proposed and seeks views from industry members relating to Amendment Proposals CAP056 to 066. Representations received in response to this consultation document will be included in National Grid’s Amendment Report that will be furnished to the Authority for their decision.
- 2.3 This consultation document 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>, along with the Amendment Proposals.

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3.0 THE AMENDMENT PROPOSALS

- 3.1 The following table is a summary of the Amendment Proposals represented by CAPs056-066

CAP Ref No	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address
CAO056	Correction to definition of “Operational Metering Equipment” in Section 11, page 35. Amend reference to Grid Code CC6.5.5 to CC6.5.6.	Reference to Grid Code CC6.5.5 is incorrect; reference should be to CC6.5.6 otherwise the definition does not operate as it is intended to.
CAP057	Removal of Transmission Services Use of System Charges definition and associated references in CUSC from paragraph’s 3.22.6, 3.23, 3.24, 3.25, 9.22.3, 9.22.4 and definition in Section 11.	The Transmission Services Use of System Charges has been removed from NGC’s Charging Methodology and therefore references to it in the CUSC are no longer relevant.
CAP058	Reinstatement of ‘Connection Site Demand Capability’ to Section 2, paragraph 2.5 after “Connection Entry Capacity”.	Reinstatement of words lost from legal text following the implementation of CAP043
CAP059	Addition of the word “Paragraph” prior to reference 2.17.9 at the beginning of Section 2, paragraph 2.17.8	A minor error from drafting of CAP012, Amendment to be consistent with the way the rest of the CUSC is drafted when referencing

		paragraphs.
CAP060	Incorrect spelling of "judgement".	Correct spelling error of word "judgement" in line 7 of Section 6, paragraph 6.6.4
CAP061	Addition of Missing detail.	Addition of relevant person's title being "CUSC Panel Secretary" at Exhibit F Note 10. By inserting a point of contact it facilitates the process for people wishing to submit completed forms.
CAP062	Amendment of contact address to new head office address and addition of title of person to contact in Exhibit F, Note 9- Construction Agreement; Exhibit I, Note 12; Exhibit D, Note 14; Exhibit B, Note 13.	Amend NGC contact address from 'The National Grid Company plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone No. 024 76423150)' to 'CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 656320).' Contact address is now different due to move of many departments to the new head office at Warwick.
CAP063	Amend Contact address to new head office address in Exhibit O, Part I, Schedule 6 and Exhibit O, Part II, Schedule 6	Amend NGC contact address from 'THE NATIONAL GRID COMPANY plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone: 024 76423150) (Facsimile: 01203 423620) to THE NATIONAL GRID plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone: 01926 653000).' (Facsimile: 01926 656602) Amend address at Exhibit O, Part I, Schedule 6 and Exhibit O, Part II, Schedule 6. Contact address is now different. Due to move of many departments to the new head office at Warwick.
CAP064	Minor reference error in Schedule 2, Exhibit 3, Construction Agreement. Amend references at Paragraph 7.2 to sub-clauses 4.1,4.2 and 4.3 to Clause 5.	Reference at Paragraph 7.2 to sub-clauses 4.1,4.2 and 4.3 is incorrect, reference should be to Clause 5 otherwise the reference will not operate as it is intended to.
CAP065	Removal of paragraph's referring to NETA Go live: 3.12.9, 3.12.2, 3.13.5, 3.20, 3.22.2(a), 9.10.4.8,also NETA Go live Date definition in Section 11. Amendments to associated paragraph referencing too.	References to NETA Go live are now obsolete, as the NETA arrangements have been successfully introduced. It is proposed that these are removed to remove provisions from the CUSC that no longer have any application. Contemplating BETTA, from a GB perspective it would be helpful to remove these paragraph's as they may be confusing to Scottish Users.
CAP066	Removal of historic transitional provisions that no longer have any application. Removal of Paragraph 10.3.1, 10.3.2, 10.5, 10.6, 10.7, 10.9, 10.11, 10.12 and the Appendix. Amendments to associated paragraph referencing too.	Proposed transitional paragraph's to be removed from Section 10 relate to transitional issues associated with the transfer from the MCUSA to the CUSC. The paragraph's no longer have any application and should therefore be removed. Removal of these provisions would also be beneficial in a GB context as it would remove any confusion between older transitional issues and any that may form part of the CUSC in contemplation of BETTA.

~~1.3~~3.2 The draft text to give effect to CAPs056-066 is contained in Annex 1.

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4.0 IMPLEMENTATION AND TIMESCALES

4.1 There is no material impact associated with the timing of the implementation of CAPs056-066. It is therefore proposed that any "housekeeping" amendments approved by the Authority will be implemented 10 days after the Authority's decision.

5.0 INITIAL VIEW OF AMENDMENTS PANEL

5.1 The Amendments Panel members determined that CAPs056-066 be subject to wider consultation to seek industry views on the Amendment Proposals and whether such amendments of the CUSC would better facilitate the achievement of the Applicable CUSC Objectives.

6.0 INITIAL VIEW OF NATIONAL GRID

6.1 The Terms of the Transmission Licence require National Grid to establish and operate procedures for the modification of the CUSC, including the modification procedures themselves, so as to better facilitate achievement of the Applicable CUSC Objectives. National Grid believes that the amendments proposed by CAPs056-066 would improve efficiency in the amendment procedures themselves and would enable National Grid to discharge its obligations more efficiently under the Transmission Licence by removing ambiguity and uncertainty and aiding clarity.

7.0 VIEWS INVITED

7.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposals CAPs056-066 and any issues associated with the proposed timing for implementation. Respondents may wish to complete the pro-forma response form included at Annex B and return this to National Grid as a summary of their response.

7.2 Please send your responses to this consultation to National Grid by no later than close of business on **Friday 24th October 2003**.

7.3 Please address all comments to the following e-mail address:

Beth.Robinson@uk.ngrid.com

Or alternatively, comments may be addressed to:

Beth Robinson
Commercial Frameworks
National Grid Transco
National Grid Transco House
Warwick Technology Park
Gallows Hill
Warwick

CV34 6DA

Annex 1 - Proposed Text to Modify CUSC**Part A - Text to give effect to the Proposed Amendments****Conformed Version****CAP056**Section 11.3**“Operational Metering Equipment”**

as may be necessary for the purpose of **CC.6.5.56** of the Grid Code and the corresponding provision of the relevant Distribution Code;

CAP057

3.22.6

Release from Security Cover Obligations

Upon a User becoming a Dormant CUSC Party or ceasing to be a CUSC Party and provided that all amounts owed by the User in respect of ~~Transmission Services Use of System Charges, Balancing Services Use of System Charges and Transmission Network Use of System Demand Reconciliation Charges~~ have been duly and finally paid and that it is not otherwise in default in any respect of any ~~Transmission Services Use of System Charges Balancing Services Use of System Charges or Transmission Network Use of System Demand Reconciliation Charges~~ (including in each case interest) payable under the CUSC, the User shall be released from the obligation to maintain Security Cover and NGC shall consent to the revocation of any outstanding Qualifying Guarantee or Letter of Credit and shall repay to the User the balance (including interest credited thereto) standing to the credit of the User on the Escrow Account at that date.

3.23

PAYMENT DEFAULT

If, by 12.30 hours on any **Use of System Payment Date**, NGC has been notified by a **User** or it otherwise has reason to believe that that **User** will not have remitted to it by close of banking business on the **Use of System Payment Date** all or any part (“the amount in default”) of any amount which has been notified by **NGC** to the **User** as being payable by the **User** by way of either the ~~Transmission Services Use of System Charges and/or Balancing Services Use of System Charges~~ and/or **Transmission Network Use of System Demand Reconciliation Charges** on the relevant **Use of System Payment Date**, then **NGC** shall be entitled to act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear until **NGC** is satisfied that the **User** has discharged its obligations in respect of the ~~Transmission Services Use of System Charges and/or Balancing Services Use of System Charges~~ and/or **Transmission Network Use of System Demand Reconciliation Charges** (as appropriate) under the **CUSC** which are payable in respect of the relevant **Settlement Day** (in the case of

~~Transmission Services Use of System Charges~~ or ~~Balancing Services Use of System Charges~~ or ~~Financial Year~~ (in the case of ~~Transmission Network Use of System Demand Reconciliation Charges~~):-

- (a) **NGC** may to the extent that the **User** is entitled to receive payment from **NGC** pursuant to the **CUSC** (unless it reasonably believes that such set-off shall be unlawful) set off the amount of such entitlement against the amount in default;
- (b) **NGC** shall be entitled to set off the amount of funds then standing to the credit of the **Escrow Account** against ~~**Transmission Services Use of System Charges**~~ and/or ~~**Balancing Services Use of System Charges**~~ and/or ~~**Transmission Network Use of System Demand Reconciliation Charges**~~ (as appropriate) unpaid by the **User** and for that purpose **NGC** shall be entitled to transfer any such amount from the **Escrow Account** to any other account of **NGC** at its absolute discretion and shall notify the **User** accordingly;
- (c) **NGC** may demand payment under any outstanding **Letter of Credit** supplied by the **User** in a sum not exceeding the available amount of all such **Letters of Credit**;
- (d) **NGC** may demand payment under any outstanding **Qualifying Guarantee** provided for the benefit of the **User** pursuant to Paragraph 3.21.3(b).

3.24 UTILISATION OF FUNDS

In addition to the provisions of Paragraph 3.23 above if **NGC** serves a notice of default under the terms of Paragraph 5.5 or a notice of termination under Paragraph 5.7 then **NGC** shall be entitled to demand payment of any of the ~~**Transmission Services Use of System Charges**~~ and/or ~~**Balancing Services Use of System Charges**~~ and/or ~~**Transmission Network Use of System Demand Reconciliation Charges**~~ which are outstanding from the relevant **User** whether or not the **Use of System Payment Date** in respect of them shall have passed and:-

- (a) make demand under any outstanding **Qualifying Guarantee** or a call under any outstanding **Letter of Credit** supplied by the **User**; and
- (b) to set off the funds in the Escrow Account against the Transmission Services Use of System Charges and/or Balancing Services Use of System Charges and/or Transmission Network Use of System Demand Reconciliation Charges unpaid by the User and for that purpose NGC shall be entitled to transfer any such amount from the Escrow Account to any other account of NGC as it shall in its sole discretion think fit.

3.25 **USER'S RIGHT TO WITHDRAW FUNDS**

If a **User** is not in default in respect of any amount owed to **NGC** in respect of the ~~Transmission Services Use of System Charges~~ or ~~Balancing Services Use of System Charges~~ or ~~Transmission Network Use of System Charges~~ under the terms of the **CUSC** and any **Bilateral Agreement** to which the **User** is a party:-

- (a) **NGC** shall transfer to the **User** quarterly interest credited to the **Escrow Account**; and
- (b) **NGC** shall transfer to such **User** within a reasonable time after such **User's** written request therefor any amount of cash provided by the **User** by way of **Security Cover** which exceeds the amount which such **User** is required to provide by way of security in accordance with this Part III.

9.22.3 Each **User** shall as between **NGC** and that **User** provide **NGC** 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 11.3

~~"Transmission Services~~ the element of ~~Use of System Charges~~
~~Use of System Charges"~~ payable in respect of the ~~Transmission Services Activity~~;

CAP058

2.5 MAINTENANCE OF ASSETS

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement**, and the **Grid Code, NGC** shall as between **NGC** and that **User** use all reasonable endeavours to maintain the **NGC Assets** at each **Connection Site** in the condition necessary to render the same fit for the purpose of passing power up to the value of **Connection Entry Capacity and Connection Site Demand Capability** as appropriate between the **User's Equipment** and the **NGC Transmission System**.

CAP059

2.17.8 Subject to [Paragraph 2.17.9 Connection Charges](#) shall be payable in respect of such replaced **NGC Assets**

CAP060

6.6.4 save for sums the subject of a final award or judgment (after exhaustion of all appeals if this opportunity is taken) or which by agreement between **NGC** and those **CUSC Parties** may be so deducted or set-off.

CAP061Exhibit F – Note 10

For the most up to date contact details applicants are advised to contact the [CUSC Panel Secretary](#) NGC website at www.nationalgrid.com/uk

CAP062Exhibit F Note 9

Please complete this application form in black print and return it duly signed to, ~~The National Grid Company plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone No. 024 76423150)~~
[CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA \(Telephone No.01926 653000\).](#)

Exhibit I Note 12

Please complete this application form in black print and return it duly signed to ~~The National Grid Company plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone No. 024 7642 3150).~~
[CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA \(Telephone No.01926 653000\).](#)

Exhibit D Note14

Please complete this application form in black print and return it duly signed to Please complete this application form in black print and return it duly signed to ~~The National Grid Company plc, National Grid House,~~

~~Kirby Corner Road, Coventry, CV4 8JY
(Telephone No. 024 7642 3150).~~
[CUSC Panel Secretary, The National Grid Company
plc, Warwick Technology Park, Gallows Hill, Warwick,
CV34 6DA \(Telephone No.01926 653000\).](#)

Exhibit B Note 13

Please complete this application form in black print and return it together with a cheque for the appropriate application fee to ~~The National Grid Company plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone No. 024 7642 3150).~~
[CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA \(Telephone No.01926 653000\).](#)

CAP063

Exhibit O Part I Schedule 6

~~THE NATIONAL GRID COMPANY plc
The Company Secretary
National Grid House
Kirby Corner Road
Coventry
CV4 8JY~~
[Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA](#)

~~Telephone: 01203 537777
Facsimile: 01203 423620~~
[Telephone: 01926 653000
Facsimile: 01926 656602](#)

Exhibit O Part II Schedule 6

~~THE NATIONAL GRID COMPANY plc
The Company Secretary
National Grid House
Kirby Corner Road
Coventry
CV4 8JY~~
[Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA](#)

~~Telephone: 01203 537777
Facsimile: 01203 423620~~
[Telephone: 01926 653000
Facsimile: 01926 656602](#)

CAP064

Schedule 2 Exhibit 3-

If Embedded upon compliance by the User

Construction Agreement

with the provisions of ~~Sub-Clauses 4.1, 4.2 and 4.3~~ **5** and subject, if NGC so requires, to the NGC Reinforcement Works

CAP065Generation Reconciliation

~~3.12.2~~ As soon as reasonably practicable and in any event by 31 March 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.

~~3.12.3~~ **3.12.2** Together with the **Generation Reconciliation Statement**.....

Initial Demand Reconciliation Statement

~~3.12.4~~ **3.12.3** As soon as reasonably practicable and in any event by

~~3.12.5~~ **3.12.4** Together with the **Initial Demand Reconciliation Statement**

~~3.12.6~~ **3.12.5**General Provisions

(a) Invoices issued under paragraphs 3.12.3 and 3.12.5

~~3.12.7~~ **3.12.6**Final Reconciliation Statement

(a) **NGC** shall as soon as reasonably practicable following

~~3.12.8~~ **3.12.7**The right to submit **Generation Reconciliation Statements**

3.12.9 ~~NGC and the User hereby agree and acknowledge that the provisions of Paragraph 3.12 of this Section 3 will apply to all Transmission Network Use of System Charges payable in respect of any Financial Year ending on or after the NETA Go-live Date. The provisions of Paragraphs 1.2.1 to 1.2.10 inclusive of the form of Appendix E in force on the day prior to the NETA Go-live Date shall continue to apply mutatis mutandis to all Transmission Network Use of System Charges payable in respect of any Financial Year ending before the NETA Go-live Date.~~

3.13.5 ~~The User acknowledges that due to the timescales associated with the replacement of the Pooling and Settlement Agreement with the Balancing and Settlement Code, NGC may have been prevented from providing the User with notice pursuant to Clause 2.2 of Part 1 of Appendix E (as in force on the day prior to the NETA Go-live Date) of its Transmission Network Use of System~~

~~Charge, and the basis of calculation of Transmission Network Use of System Charges, from the NETA Go-live Date until the end of the Financial Year in which the NETA Go-live Date occurred. However, the User further acknowledges that NGC consulted with the User prior to the NETA Go-live Date on Transmission Network Use of System Charges to apply from the NETA Go-live Date until the end of the Financial Year in which the NETA Go-live Date occurred. The User hereby agrees to pay Transmission Network Use of System Charges in respect of the Financial Year in which the NETA Go-live Date occurred in accordance with the principles the charges notified by NGC prior to the NETA Go-live Date.~~

- 3.20 ~~The User acknowledges that due to the timescales associated with the replacement of the **Pooling and Settlement Agreement** with the **Balancing and Settlement Code**, NGC was prevented from providing the User with notice pursuant to Clause 3 of Part 2 of **Appendix E** (as in force on the day prior to the **NETA Go-live Date**) of the basis of calculation of **Balancing Services Use of System Charges** from **NETA Go-live Date** until the end of the **Financial Year** in which the **NETA Go-live Date** occurs. However, the User further acknowledges that **NGC** consulted with the **User** prior to the **NETA Go-live Date** on **Balancing Services Use of System Charges** to apply from the **NETA Go-live Date** until the end of the **Financial Year** in which the **NETA Go-live Date** occurred. The User hereby agrees to pay **Balancing Services Use of System Charges** in respect of the **Financial Year** in which the **NETA Go-live Date** occurred in accordance with the principles notified by **NGC** prior to the **NETA Go-live Date**.~~

PART III - CREDIT REQUIREMENTS

3.21.3.20 BSUOS CHARGES, TSUOS CHARGES AND TNUOS DEMAND RECONCILIATION CHARGES: PROVISION OF SECURITY COVER

- ~~3.21.13.20.1~~ Each **User** required to pay **Use of System Charges**
- ~~3.21.2~~ **3.20.2** Each such **User** shall not later than the date of its accession.....
- ~~3.21.3~~ **3.20.3** If such **User** does not hold or ceases to hold an.....
- ~~3.21.4~~ **3.20.4** The provisions of this Part III shall be in addition to any...
- ~~3.21.5~~ **3.20.5** Maintenance of Security Cover
- Where a **User** is required to provide **Security Cover** in.....
- ~~3.21.6~~ **3.20.6** Failure to supply or maintain Security Cover

If the **User** fails at any time to provide or maintain **Security**.....

~~3.21.7~~ **3.20.7** Substitute Letter of Credit or Qualifying Guarantee

(a) If the bank issuing the **User's Letter of Credit** ceases to.....

~~3.22~~ **3.21** **CREDIT MONITORING**

~~3.22.1~~ **3.21.1** Determination of Security Cover

The amount of **Security Cover** which the **User** shall be.....

~~3.22.2~~ **3.21.2** Criteria for provision of Security Cover

If Paragraph 3.21.3 applies, the amount of **Security**.....

~~(a)~~ the **Transmission Services Use of System Charges** provided for in the **CUSC** over a 31 day period for the **Financial Year** ending on 31 March 1999 and in the case of subsequent **Financial Years** such period as **NGC** acting reasonably shall specify to the **User** in writing from time to time taking into account the requirements for **Security Cover** contained in the **Balancing and Settlement Code** and where **NGC** proposes to change such period **NGC** shall consult with **Users**; and

~~(b)~~ (a) the **Balancing Services Use of System Charges**.....

~~(c)~~ (b) the **Balancing Services Use of System Charges**.....

~~(d)~~ (c) **Transmission Network Use of System Demand Reconciliation Charges** calculated in the following manner:-

(aa) 10% of **User's Demand** related **Transmission**.....

(bb) in the case of subsequent **Financial Years** such.....

~~(e)~~ (d) interest on the amounts referred to in (a), (b), (c) and.....

~~3.22.3~~ **3.21.3** Review of Security Cover

NGC shall keep under review the **Security Cover** relating.....

~~3.22.4~~ **3.21.4** Increase or Decrease of Security Cover

If, after considering any representations which may be made....

~~3.22.5~~ **3.21.5** Notification in respect of Security Cover

NGC shall notify each **User** promptly if:-.....

~~3.22.6~~ **3.21.6** Release from Security Cover Obligations

Upon a **User** becoming a **Dormant CUSC Party** or ceasing.....

~~3.23~~ **3.22** **PAYMENT DEFAULT**

If, by 12.30 hours on any **Use of System Payment Date**, **NGC**.....

~~3.24~~ **3.23** **UTILISATION OF FUNDS**

In addition to the provisions of Paragraph 3.23 above if **NGC**.....

~~3.25~~ **3.24** **USER'S RIGHT TO WITHDRAW FUNDS**

If a **User** is not in default in respect of any amount owed to **NGC**...

~~9.10.4.8~~ **NGC** and the **User** hereby agree and acknowledge that the provisions of Paragraph 9.10.4 of this Section 9 will apply to all **Transmission Network Use of System Charges** payable in respect of any **Financial Year** ending on or after the **NETA Go-live Date**. The provisions of Paragraphs 1.2.1 to 1.2.10 inclusive of the form of **Appendix E** in force on the day prior to the **NETA Go-live Date** shall continue to apply *mutatis mutandis* to all **Transmission Network use of System Charges** payable in respect of any **Financial Year** ending before the **NETA Go-live Date**.

Section 11.3

~~NETA Go-live Date~~ as the term **Go-live Date** is defined in the **Balancing and Settlement Code**;

CAP066~~10.3.1~~ Outstanding Offer

This paragraph 10.3.1 applies where offers have been made for **Connection** and/or **Use of System** or for **Modification** of existing **Supplemental Agreements** prior to the **CUSC Implementation Date**, and have not been returned to **NGC** signed by the **User** prior to that date (an "**Outstanding Offer**"). Such **Outstanding Offers** will be withdrawn and substituted with an original **Offer** which **Offer** may be accepted within one month of the **Offer** being made.

~~10.3.2~~ Construction Ongoing

This Paragraph 10.3.2 applies to **Connection Sites** where construction has yet to start or is ongoing but not completed. In such cases the existing **Supplemental Agreement** will be replaced with a **Construction Agreement** and a **Bilateral Agreement**.

~~10.3.3~~ **10.3.1** Construction Completed

Where construction is completed there will not be a separate **Construction Agreement**, but the existing **Supplemental Agreement** (and any Agreement for Construction Works) in relation to construction elements (including the Operational Notification, as that term is defined in the relevant **Supplemental Agreement**) (and with any necessary changes to reflect that it solely reflects construction related issues) will be regarded as a continuing "deemed" **Construction Agreement** (and the definition of **Construction Agreement** shall be construed to include such deemed agreements), with the **User** also having a new **Bilateral Agreement**.

~~10.5 CONTINUITY OF SECURITY~~

~~NGC and each User agrees that any security which existed prior to the CUSC Implementation Date for that User in relation to the MCUSA and Supplemental Agreements is intended to apply to the continuation of those agreements under the CUSC Framework Agreement, relevant Bilateral Agreements/Construction Agreements and Mandatory Services Agreements structure. Insofar as any act is required by the User, or by any other person, in relation to that security, the User will undertake such additional act, or procure that such act is undertaken by the other relevant person.~~

~~10.6 CONTINUITY OF CHARGES~~

~~In relation to Connection Sites and uses of the NGC Transmission System existing as at the CUSC Implementation Date:~~

~~10.6.1 the relevant Bilateral Agreement will set out the date from which charges are payable as being the CUSC Implementation Date;~~

~~10.6.2 the relevant Use of System Supply Confirmation Notices will set out the date from which Use of System Charges are payable as being the CUSC Implementation Date;~~

~~10.6.3 Use of System Supply Confirmation Notices will be issued to existing Second Tier Suppliers and to the Supplier part of the Public Electricity Suppliers.~~

~~However, such a provision is without prejudice to any obligation in relation to charges under the MCUSA and relevant Supplemental Agreements in relation to the period up to the CUSC Implementation Date, which obligation continues based on the provisions (including the relevant dates) in the MCUSA and the relevant Supplemental Agreements.~~

~~10.7 CONTINUITY OF PAYMENTS FOR MANDATORY ANCILLARY SERVICES~~

~~In respect of Users providing Mandatory Ancillary Services as at the CUSC Implementation Date, the relevant Mandatory Services Agreement will set out the date from which payments are made by NGC as being the CUSC Implementation Date. However, such a provision is without prejudice to any obligation on NGC under Ancillary Services Agreements to make payments in respect of Mandatory Ancillary Services in relation to the period up to the CUSC Implementation Date,~~

~~which obligation continues based on the provisions in the **Ancillary Services Agreements**~~

~~10.8~~10.5 **OUTTURNING**

Under the provisions of the existing **Supplemental Agreements** and **Agreements for Construction Works** to effect a **Modification** at a **Connection Site NGC** is entitled to charge **Connection Charges** based on an estimate of the cost of the **NGC Asset Works**. **NGC** then has an obligation to carry out an outturn reconciliation process to determine the final cost of carrying out these works. Notwithstanding the provision in Paragraph 2.14.3(c) of the **CUSC** requiring the **Cost Statement** to be provided within one year of the **Completion Date NGC** and each relevant **User** acknowledge that this has proven impractical on a number of completed schemes and agree that the words "and in any event within one year thereof" shall not apply in respect of all schemes completed prior to 31 March 2000.

~~10.9~~ **OCTOBER/NOVEMBER LETTERS**

~~Notwithstanding Paragraph 10.2, **NGC's** obligation to charge in accordance with the **Charging Statements** under the **CUSC** will override any obligation in the existing **Supplemental Agreements** relating to the obligations in Clause 2.1 and 2.2 of Part 1 of **Appendix E** and Clause 3 of Part 2 of **Appendix E** (in existence before the **CUSC Implementation Date**) (the "October and November Letters") and any obligation under those agreements to give two months notice of charges. In addition, any dispute relating to the November Letter published on 28 November 2000 would be a "**CUSC Dispute**" as it relates to a charge from 1 April 2001.~~

~~10.10~~10.6 **PRE-CUSC VOTING OF AMENDMENTS PANEL**

~~10.10.1~~10.6.1 The process undertaken immediately prior to the introduction of **CUSC** to put in place the **Panel Members** and **Alternate Members** elected by **Users** of the first **Amendments Panel**, although undertaken before the relevant provisions were in force, is agreed by **CUSC Parties** to constitute the appointment of the first set of **Panel Members** and **Alternate Members** elected by **Users** under the **CUSC**.

~~10.10.2~~10.6.2 The terms of office of such **Panel Members** and **Alternate Members** elected by **Users** will be deemed to have begun on the **CUSC Implementation Date**.

~~10.11~~ **PES SEPARATION**

~~Until the **PES Separation Date** the **CUSC** shall be read together with the changes to the **CUSC** and **Bilateral Agreements** and exhibits to the **CUSC** set out in the Appendix to this Section 10. From the **PES Separation Date**, the changes to the **CUSC** and **Bilateral Agreements** and exhibits the **CUSC** set out in the Appendix to this Section 10 shall cease to have effect and the Appendix to this Section 10 shall cease to form part of the **CUSC**. For the purposes of this~~

Paragraph 10.11 and the Appendix to this Section 10 "**PES Separation Date**" means the date upon which schemes made under paragraph 13 of Schedule 7 to the Utilities Act 2000 come into operation and each existing **Public Electricity Supply Licence** has effect as if it were a **Distribution Licence** and a **Supply Licence** under section 6(1) of the **Act** as substituted by section 30 of the Utilities Act 2000.

10.12 **CUSC IMPLEMENTATION DATE**

On the **CUSC Implementation Date**, the **MCUSA** and amended agreements will be deemed to be amended to become the **CUSC** and associated agreements and statements with effect from 00.01 hours on that date for all purposes.

APPENDIX - PUBLIC ELECTRICITY SUPPLIER LICENCE SEPARATION

The changes are as follows:

Section 1 – Applicability of Sections and Related Agreements Structure

1. In Paragraph 1.2.4 of the **CUSC**:

(a) Insert a new row at the end of the table as follows:

7.	Distribution System directly connected to the NGC Transmission System with the User supplying within the Distribution System	2 and 3
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(b) In row 3 of the table after "**Distribution System** directly connected to the **NGC Transmission System**" add the words "without the **User** supplying within that **Distribution System**".

2. In Paragraph 1.2.4, row 4 and Paragraph 1.4.1 add the words "**Second Tier**" before the word "**Supplier**".

Section 3 – Use of System

3. In the contents list for Section 3 at paragraph 3.5 add the words "**Second Tier**" before the word "**Supply**".

4. In the introductory text for Section 3, Part IB – General Supply replace the words "**Suppliers** generally and, in relation to certain provisions" with "**Second Tier Suppliers** and".

5. In Paragraph 3.5 add the words "**SECOND TIER**" before the word "**SUPPLIER**" in the heading and change all occurrences of "**Public Distribution System Operator**" to "**PES**" and "**Public Distribution System Operator's**" to "**PES's**".

6. In Paragraph 3.6.3 replace the words "**Supply Licence**" with "supply **Licence** granted pursuant to section 6 of the **Act**".

7. In Paragraph 3.7.3, 3.8.2 and 3.8.3(a) add the words "**Second Tier**" before occurrences of the word "**Supplier**".

Section 5 – Events of Default, Deenergisation, Disconnection and Decommissioning

8. In Paragraph 5.4.1 add the words "**Second Tier**" before the word "**Supplier**".

9. In Paragraph 5.4.7(b)(ii) add the words "**Second Tier**" before the word "**Supplier**".
10. In Paragraph 5.9.2 replace the reference "section 6(1)(d) of the Act" with "section 6(2)(a) of the Act"

Section 6 – General Provisions

11. In Paragraph 6.4 add the words "**Second Tier**" before the word "**Supplier**" in subparagraph (a) and after subparagraphs (a) and (b) add the following new subparagraph:
"and
(c) **Users** acting as **Suppliers** supplying **Non-Embedded Customers**."
12. In Paragraph 6.15.1.1 replace the words "**Public Distribution System Operator**" with "**Supplier**".
13. In Paragraph 6.15.1.4 delete ", distribute".

Section 11 – Definitions

14. In Section 11 – Definitions, Paragraph 11.3:
(a) Add the following definitions:
"**Second Tier Supplier**" or "**STS**" a holder of a **Second Tier Supply Licence**;
"**Second Tier Supply Licence**" a licence granted under section 6(2)(a) of the Act;
"**Public Electricity Supplier**" or "**PES**" a holder of a **Public Electricity Supply Licence**;
- (b) In the definition of "**Authorised Electricity Operator**" delete "
distribute".
- (c) Delete the definitions of "**Distribution Licence**", "**Public Distribution System Operator**" and "**Supply Licence**".
- (d) In the definition of "**Commercial Boundary**" change the words "**Public Distribution System Operator**" to "**PES**".
- (e) In the definition of "**Distribution Codes**" change the words "**Public Distribution System Operators**" to "**Public Electricity Suppliers**".
- (f) In the definition of "**Non-Embedded Customer**" change the words "**Public Distribution System Operator**" to "**PES**".
- (g) In the definition of "**Public Electricity Supply Licence**" delete the words "prior to the coming into force of section 30 of the Utilities Act 2000".
- (h) In the definition of "**Remote Transmission Assets**" change both occurrences of the words "**Public Distribution System Operator**" to "**PES**".
- (i) Delete the definition of "**Supplier**" and substitute:
"**Supplier**" a **Public Electricity Supplier**
or **Second Tier Supplier**;
- (j) In the definition of "**Use of System Supply Offer and Confirmation Notice**" add the words "**Second Tier**" before the word "**Supplier**".
- (k) In the definition of "**Use of System Termination Notice**" add the words "**Second Tier**" before the word "**Supplier**".

(l) In the definition of "**User System**" change the words "**Public Distribution System Operator**" to "**PES**".

15. The Exhibits shall be read as if the references were to a pre-**PES Separation Date CUSC** and associated Exhibits.

References to Licence Condition C7

16. Unless otherwise specified references to Standard Condition C7, C7A, C7B, C7C, C7D, C7E, C7F or C7G or Special Condition A2 (or part of those conditions) of the **Transmission Licence** shall be changed to refer to the corresponding Condition (i.e. Condition 10, 10A, 10B, 10C, 10D, 10E, 10F or 10G or 12) (or the corresponding part of those Conditions) of the **Transmission Licence**.

Annex 2 - Proforma Response Form

CAP Ref No	Title of Amendment Proposal	Do you support the Amendment Proposal (yes/no)?	Comments (with reference to the Applicable CUSC Objectives)
CAP056	CUSC 11.3 (page 11-35) – Correction to Grid Code reference within a definition.		
CAP057	CUSC 3.22.6, 3.23, 3.24, 3.25, 9.22.3, 9.22.4, 11.3 (page 11-49) – Deletion of redundant definition and associated references.		
CAP058	CUSC 2.5 – Reinstatement of definition.		
CAP059	CUSC 2.17.8- Correction to paragraph reference.		
CAP060	CUSC 6.6.4 – Correction of spelling error.		
CAP061	CUSC Exhibit F Note 10 – Addition of Missing Detail.		
CAP062	CUSC Exhibit F Note 9, Exhibit I Note 12, Exhibit B Note 13, Exhibit D Note 14– Update contact address.		
CAP063	CUSC Exhibit O Part I Schedule 6, Exhibit O Part II Schedule 6 - Update contact address.		
CAP064	CUSC-Schedule 2 Exhibit 3 Paragraph 7.2 - Correction to paragraph references.		
CAP065	CUSC 3.12.9, 3.12.2, 3.13.5,3.20,3.22.2(a), 9.10.4.8, 11.3 (page11-31) – Deletion of redundant paragraphs and associated definition. Amendments to associated paragraph referencing too.		
CAP066	CUSC 10.3.1,10.3.2, 10.5, 10.6, 10.7, 10.9, 10.11, 10.12 and Appendix in Section 10 Deletion of redundant paragraph and associated Appendix. Amendments to associated paragraph referencing too.		