



# National Grid

## AMENDMENT REPORT

**CUSC Proposed Amendments CAPs056-066**

**"Housekeeping" Amendments**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposals CAPs056-066*

Amendment Ref	CAP
Issue	1.0
Date of Issue	07 November 2003
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	27/10/03	National Grid	Draft for Industry comment
1.0	07/11/03	National Grid	Formal version for submission to the Authority

**b Document Location**

National 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 CAPs056-066 propose to amend the CUSC in order to correct a number of minor errors such as incorrect paragraph numbering, spelling errors, incorrect cross-references and obsolete provisions.
- 1.2 Amendment Proposals CAP056 to CAP066 were proposed by National Grid and submitted for consideration to the CUSC Amendments Panel Meeting on Thursday 18<sup>th</sup> September. At that meeting the Panel determined that National Grid should initiate a period of wider industry consultation on the issues raised by CAPs056-066.
- 1.3 The Consultation Paper for CAPs056-066 was published by National Grid on 3<sup>rd</sup> October 2003, placed on the CUSC website and copies sent to Core Industry Document Owners and CUSC Parties. Responses were invited by 24<sup>th</sup> October 2003.
- 1.3 National Grid received a total of 2 responses to the consultation for CAPs056-066. British Gas Trading raised particular points in relation to CAPs 057, 061, and 062. In relation to CAP057 British Gas Trading highlighted additional references that needed to be removed at Paragraphs 3.20, 3.22.6, and 3.24(b) in the text, in order to ensure that the text was aligned with the philosophy of Amendment proposal CAP057. In the light of these comments National Grid have now proposed an Alternative Amendment to CAP 057. British Gas Trading also questioned the detail of CAP061 and the close relationship between Cap's 061 and 062. In the light of these comments National Grid are now proposing that CAP061 be rejected. British Energy did not support CAP066 and in the light of their comments, National Grid also believes that CAP066 should now be rejected.
- 1.4 A summary of all the responses received to the consultations on CAPs056-066 are contained in Section 10 of this document. Copies of all responses to the CAPs 056-066 consultation are included in Annex 3.

**National Grid Recommendation**

<b>Amendment</b>	<b>NC Recommendation</b>
CAP056	Accept
CAP057	Accept Alternative Amendment
CAP058	Accept
CAP059	Accept
CAP060	Accept
CAP061	Reject
CAP062	Accept
CAP063	Accept
CAP064	Accept
CAP065	Accept
CAP066	Reject

- 1.5 National Grid recommends that CAP056, CAPs058-060, CAP's062-065 and the Alternative Amendment for CAP057 be approved for implementation. National Grid however recommends the rejection of CAP's 061 and 066.

- 1.6 It is recommended that the CUSC be modified in line with CAP056, CAPs058-060 and CAPs062-065 and the Alternative Amendment proposed for CAP057 10 days after the Authority's decision.
- 1.7 Ofgem are invited to note that in the light of industry comments, National Grid has changed its recommendations. National Grid now recommend that the Authority supports the Alternative Amendment for CAP057, and rejects CAP061 & 066. We recommend that all the other Amendment proposals be accepted (as outlined in the table above.).

## **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 proposed housekeeping amendments to the CUSC.
- 2.2 Further to the submission of Amendment Proposals CAPs056-066 (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 Proposals CAPs056-066.
- 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 Amendments. 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 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 AMENDMENTS**

### **Background**

- 3.1 At the CUSC Amendment Panel Meeting held on 23rd March 2003 National Grid indicated that, in response to requests from CUSC Parties, a register of potential housekeeping amendments would be added to the monthly CUSC Amendments Progress Report. This register has appeared in the Progress Report since then. National Grid also indicated that the housekeeping amendments would be put to the Panel for consideration at approximately six monthly intervals. CAPs056-066, tabled at the CUSC Panel meeting on the 23<sup>rd</sup> of March, represents the second batch of such housekeeping amendments.

### **The Proposed Amendments**

- 3.2 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 653000).' 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 COMPANY 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.

#### 4.0 IMPLEMENTATION AND TIMESCALES

4.1 CAPs056-066 do not have material impact outside the scope of the CUSC. It is therefore proposed implementation takes place ten days after the Authority's decision. (Should the Authority choose to approve any of these Amendments.)

#### 5.0 IMPACT ON THE CUSC

5.1 The Proposed Amendments would require amendment to those areas of the CUSC detailed in the table contained in Paragraph 3.2 above.

5.2 The text required to give effect to the Proposed Amendment is contained at Annex 2 of this document.

#### 6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

6.1 Amendment of the CUSC on the basis of the housekeeping amendments represented by CAPs056, CAPs058-60, CAPs062-065 along with Alternative Amendment CAP057 would add clarity to the existing CUSC and would therefore enable National Grid to more efficiently discharge its obligations under the Transmission Licence. However, National Grid proposes the Authority to reject CAP061 & 066, as on further examination it is no longer

believed that approval of CAP061 and CAP066 would better facilitate the applicable CUSC objectives.

## **7.0 IMPACT ON CUSC PARTIES**

- 7.1 No impact has been identified on CUSC Parties from the Proposed Amendments

## **8.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

- 8.1 Neither the Proposed Amendments nor the Alternative Amendment for CAP057 will have any impact on Core Industry Documents or other industry documentation or require any changes to computer systems established under Core Industry Documents.

## **9.0 ALTERNATIVE AMENDMENTS**

### **Description of Alternative Amendments (CAP057)**

#### **9.1 CAP057**

It was pointed out to National Grid by British Gas Trading, in response to the consultation report, that whilst the philosophy behind the Amendments in CAP057 is correct, there are additional redundant references to "Transmission Services Use of System Charges" to be removed from the text that had not already been highlighted in the legal drafting of the text in the Consultation Paper. The additional references to be deleted can be found at Paragraphs 3.20 (within the title), 3.22.6 (line 7) & 3.24(b) (line 2).

National Grid agrees with British Gas Trading's comments, and has raised an Alternative Amendment to CAP057 which reflects them.

### **Assessment Against Applicable CUSC Objectives**

- 9.2 The Alternative Amendment for CAP057 would deal with three further redundant references in Section 3 (Use of System) without the need for a separate Amendment Proposal. As the redundant definition is to be removed, the references in the text need to be removed simultaneously to remain consistent. It would therefore better facilitate achieving the applicable CUSC objectives.

## **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 Amendments.

### **Views of Panel Members**

- 10.2 No formal responses have been submitted during the consultation by members of the Amendments Panel.

### **View of Core Industry Document Owners**



- 10.3 No responses have been received from Core Industry Document Owners noting any impact of CAPs056-066 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
CAPs056-066-CR-01	British Gas Trading	Yes	Suggested minor amendment to legal drafting of CAP057 which National Grid supports, prompting National Grids proposal of an Alternative Amendment for CAP057.  Questioned detail of CAP's 061 & 062.  Prompted National Grid recommendation to reject CAP061.
CAPs056-066-CR-02	British Energy.	Yes (CAP's 056-065) No (CAP066)	Supports CAP 056-065 inclusive. Not in support of the deletion of paragraph 10.12 relating to CAP066.

- 10.5 National Grid received a total of 2 responses to the industry consultation on CUSC Amendment Proposals CAPs056-066. British Gas Trading advised of changes to the legal text in line with the philosophy behind CAP057 giving rise to National Grid proposing an Alternative Amendment for CAP057, which National Grid supports. British Gas Trading also questioned the close relationship and detail within CAP's 061 & 062 Amendment Proposals, and as such National Grid now recommend rejection of CAP061. British Energy has also indicated that they believe that the deletions of paragraphs detailed in CAP066 are not a housekeeping issue and that they are not in support of this Proposed Amendment. Subsequently British Energy explained that they were only opposed to the deletion of paragraph 10.12 within the CAP066 Amendment Proposal.

- 10.6 For clarity, the legal drafting for CAP062 detailed in the Consultation Paper contains the correct revised switchboard telephone number. The supporting Proposal documentation, as highlighted by British Gas Trading, did not however support this. British Gas Trading also requested verification that the addition of the title of CUSC Panel Secretary was the correct contact in CAP062. National Grid believes that the addition of a generic contact point will provide comfort for Users, whereas an alternative reference, for example the name of a department, may later be outdated as a result of the restructuring programmes taking place within National Grid.

## 11.0 NATIONAL GRID RECOMMENDATION

- 11.1 National Grid recommends that Amendment Proposals CAPs056-060 and 062-065 inclusive and the Alternative Amendment for CAP057 should be approved for implementation to retain consistency and improve clarity and

hence enable National Grid to more efficiently discharge its licence obligations. National Grid recommends the rejection of CAPs 061 & 066.

- 11.2 The original Amendment for CAP061 is on reflection unnecessary, if CAP062 is implemented, as the reference to CUSC Panel Secretary in CAP062 will provide Users with sufficient clarity regarding a point of contact. CAP061 is better left as a generic reference to avoid duplication and confusion. The rejection of Amendment CAP061 would therefore better facilitate achieving the applicable CUSC objectives.

## **12.0 COMMENTS ON DRAFT AMENDMENT REPORT**

- 12.1 National Grid received 1 response following the publication of the draft Amendment Report from British Energy. A copy of the representation is attached at Annex 4.
- 12.2 British Energy reported the misinterpretation of their comment relating to CAP066 as reported in the Draft Amendment Report sent out for Industry Comment. British Energy are in fact only opposed to the deletion of paragraph 10.12 as they find no other reference within the CUSC that the MCUSA was amended to the CUSC as of the specific changeover date; the CUSC Implementation Date. British Energy are however in support of the deletion of the remaining paragraphs specified in CAP066; 10.3.1, 10.3.2, 10.5, 10.6, 10.7, 10.9, 10.11 and the Appendix.
- 12.3 In the light of British Energy's comments on CAP066, National Grid now recommends that CAP066 should be rejected.

## Annex 1 – Amendment Proposal Form

### CUSC Amendment Proposal Form

**CAP:056 to 066**

<b>Details of Proposer:</b> Organisation's Name:	The National Grid Company plc
<i>Capacity in which the Amendment is being proposed:</i> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid Company plc 01926 653198 andy.balkwill@ngtuk.com
<b>Details of Proposer's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Beth Robinson National Grid Company plc 01926 655990 beth.robinson@uk.ngrid.com

CAP Ref No	Title of Amendment Proposal	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address	Impact on the CUSC	Impact on Core Industry Documents	Impact on Computer Systems and Processes used by CUSC Parties	Details of any Related mods to Other Industry Codes	Justification for Proposed Amendment with Reference to the Applicable CUSC Objectives
CAPO 56	Correction to definition of <b>Operational Metering Equipment</b>	Amend reference to Grid Code CC6.5.5 to CC6.5.6. Reference made in Section 11, page 35 of CUSC.	Corrects reference in definition.	Amend reference to Grid Code CC6.5.5 to CC6.5.6	None.	None.	None.	Reference to Grid Code CC6.5.5 is incorrect, reference should be to CC6.5.6 otherwise the definition will not operate as it is intended to.
CAPO 57	Removal of reference to Transmission Services Use of System Charges	Removal of Transmission Services Use of System Charges definition and associated references in CUSC	The Transmission Services Use of System Charge no longer exists and therefore references are no longer relevant	Removal of reference to Transmission Services Use of System Charges from paragraph's 3.22.6, 3.23, 3.24, 3.25, 9.22.3, 9.22.4 and definition in Section 11.	None.	None.	None.	The Transmission Services Use of System Charges have been removed from NGC's Charging Methodology and therefore references to it in the CUSC are no longer relevant.
CAPO 58	Reinstatement of Connection Site Demand Capability to Section 2, Paragraph 2.5	Reinstatement of 'Connection Site Demand Capability' to Section 2, paragraph 2.5	Reinstatement of words lost from legal text following the implementation of CAP043.	Reinstatement of "or <b>Connection Site Demand Capability</b> " after " <b>Connection Entry Capacity</b> "	None.	None.	None.	Words were inadvertently lost following the introduction of CAP043.
CAPO 59	Minor Text Amendment to Section 2, Paragraph 2.17.8	Addition of the word "Paragraph" prior to reference 2.17.9 at the beginning of	Consistency of CUSC drafting with respect to paragraph references.	Addition of the word "Paragraph" prior to reference 2.17.9	None.	None.	None.	A minor error from drafting of CAP012, Amendment to be consistent with the way the rest of the CUSC is drafted when referencing paragraphs.

CAP Ref No	Title of Amendment Proposal	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address	Impact on the CUSC	Impact on Core Industry Documents	Impact on Computer Systems and Processes used by CUSC Parties	Details of any Related mods to Other Industry Codes	Justification for Proposed Amendment with Reference to the Applicable CUSC Objectives
		Section 2, paragraph 2.17.8		at the beginning of Section 2, paragraph 2.17.8				
CAP060	Minor Text Amendment to Section 6, Paragraph 6.6.4	Correct spelling error in line 7 – “judgement”.	Spelling error of word “judgement” in line 7 of Section 6, paragraph 6.6.4	Correct spelling error of word “judgement” in line 7 of Section 6, paragraph 6.6.4	None.	None.	None.	Incorrect spelling of “judgement”.
CAP061	Addition of missing detail in Exhibit F, Note 10.	Addition of relevant person’s title being “CUSC Panel Secretary” at Note 10 for people to submit the related completed form to.	Addition of Missing detail.	Addition of relevant person’s title being “CUSC Panel Secretary” for people to submit the related completed form to.	None	None	None	Missing detail. By inserting a point of contact it facilitates the process for people wishing to submit completed forms.
CAP062	Amendment of contact address and addition of title of person to contact in Exhibit F, Note 9- Construction Agreement; Exhibit I, Note	Amend NGC contact address from ‘The National Grid Company plc, National Grid House, Kirby Corner Road, Coventry, CV4 8JY (Telephone No. 024 76423150)’ to (	Corrects old contact address- updates it to new head office address, including addition of title of person to contact.	Update contact address to new head office address, “CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick,	None	None	None	Contact address is now different. Due to move of many departments to the new head office at Warwick, the updated contact address is now ‘CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 656320).’

CAP Ref No	Title of Amendment Proposal	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address	Impact on the CUSC	Impact on Core Industry Documents	Impact on Computer Systems and Processes used by CUSC Parties	Details of any Related mods to Other Industry Codes	Justification for Proposed Amendment with Reference to the Applicable CUSC Objectives
	12; Exhibit D, Note 14; Exhibit B, Note 13.	CUSC Panel Secretary, The National Grid Company plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 656320).'		CV34 6DA (Telephone No. 01926 656320).'				
CAP063	Amend Contact address to new Warwick 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 423620to THE NATIONAL GRID plc, Warwick Technology Park, Gallows Hill,	Corrects old contact address- updates it to new head office address.	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	None	None	None	Contact address is now different. Due to move of many departments to the new head office at Warwick, the updated contact address is now "THE NATIONAL GRID plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 653000).'

CAP Ref No	Title of Amendment Proposal	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address	Impact on the CUSC	Impact on Core Industry Documents	Impact on Computer Systems and Processes used by CUSC Parties	Details of any Related mods to Other Industry Codes	Justification for Proposed Amendment with Reference to the Applicable CUSC Objectives
		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.		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.				
CAP064	Minor reference error in Schedule 2, Exhibit 3, Construction Agreement.	Amend references <b>at Paragraph 7.2</b> to sub-clauses 4.1,4.2 and 4.3 to Clause 5.	Corrects reference.	Amend references of sub-clauses 4.1,4.2 and 4.3 to Clause 5.	None	None	None	Reference at Paragraph 7.2 to sub-clauses 4.1,4.2 and 4.3 are incorrect, reference should be to Clause 5 otherwise the reference will not operate as it is intended to.
CAP065	Removal of Provisions relating to NETA Go live	Removal of NETA Go live Date definition and references in CUSC	NETA Go live has since passed provisions are no longer relevant.	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	None.	None.	None.	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.

CAP Ref No	Title of Amendment Proposal	Description of Proposed Amendment	Description of Issue or Defect that Proposed Amendment seeks to Address	Impact on the CUSC	Impact on Core Industry Documents	Impact on Computer Systems and Processes used by CUSC Parties	Details of any Related mods to Other Industry Codes	Justification for Proposed Amendment with Reference to the Applicable CUSC Objectives
				NETA Go live Date definition in Section 11.				
CAP066	Removal of Historic Transitional Provisions from Section 10	Removal of Paragraph 10.3.1, 10.3.2, 10.5, 10.6, 10.7, 10.9, 10.11, 10.12 and the Appendix	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	None.	None.	None.	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.



**Notes:**

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. 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 Development  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry, CV4 8JY  
Or via e-mail to: [CUSC.Team@uk.ngrid.com](mailto: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).

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.

## Annex 2 – Proposed Text to modify CUSC

### Part A - Text to give effect to the Proposed Amendment

#### Conformed Version

#### CAP056

#### Section 11.3

#### “Operational Metering Equipment”

as may be necessary for the purpose of **CC.6.5.5~~6~~** of the Grid Code and the corresponding provision of the relevant Distribution Code;

#### CAP057 (Original Amendment- Alternative Amendment text contained in Annex B at Page 31)

#### 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.

## **CAP061**

### Exhibit 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](http://www.nationalgrid.com/uk)

## **CAP062**

### Exhibit 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-  
Construction Agreement

If Embedded upon compliance by the User 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

**CAP065**

Generation 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

~~3.21.1~~ **3.20.1** 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**

~~10.10.4~~ **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:~~

<del>7.</del>	<del><b>Distribution System</b> directly connected to the <b>NGC Transmission System</b> with the <b>User</b> supplying within the <b>Distribution System</b></del>	<del>2 and 3</del>
---------------	---	--------------------

~~(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**.~~

**Part B - Text to give effect to the Alternative Amendments****CAP057****Conformed Version****CAP057****3.21-3.20 BSUOS CHARGES, TSUOS CHARGES AND TNUOS DEMAND RECONCILIATION CHARGES: PROVISION OF SECURITY COVER****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**;

### **Annex 3 – Copies of Representations Received to Consultation**

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 3<sup>rd</sup> October 2003, requesting comments by close of business on Friday 24<sup>th</sup> October 2003).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	British Gas Trading	CAPs056-066 CR-01
2	British Energy	CAPs056-066 CR-02

<b>Reference</b>	CAPs056-066-CR-01
<b>Company</b>	British Gas Trading



energy management group

National Grid Transco  
National Grid Transco House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

**Charter Court**  
**50 Windsor Road**  
**Slough**  
**Berkshire**  
**SL1 2HA**

Tel. (01753) 758051  
Fax (01753) 758368  
Our Ref.  
Your Ref.  
07 November 2003

For the attention of Beth Robinson –  
Commercial Frameworks

Dear Beth,

**Re: CUSC Amendment Proposals CAP056 to 066**

*Thank you for the opportunity to comment on this group of “housekeeping” amendments to the CUSC. As per our discussions British Gas Trading offer the following comments and views on the proposals:*

- a) CAP056 – Amendment and drafting supported;
- b) CAP057 – The intention of the proposal is supported. However, we believe that there are additional changes required to the proposed drafting in Clause 3.22.6, in line 7; and Clause 3.24(b) line 2 where “Transmission Services Use of System” should be deleted.
- c) CAP058 – Amendment and drafting supported;
- d) CAP059 - Amendment and drafting supported;
- e) CAP060 - Amendment and drafting supported;
- f) CAP061 – Whilst we have no problem with the intention of the Amendment Proposal, of directing applicants to the correct part of NGC, we are not convinced that the detail of the proposal is correct. We believe that either Note 10 is not required (as the point is covered by Note 9 (see CAP062 below)), or that more explicit direction to the relevant part of the NGC website is required;
- g) CAP062 – We support the intention of the Amendment Proposal. However, there is a difference in the contact details phone number between that in the Proposal and that in the legal drafting. We support the use of the switchboard number as per the legal drafting. In addition we would request confirmation that the CUSC Panel Secretary is the correct person to receive these forms;
- h) CAP063 - Amendment and drafting supported;
- i) CAP064 - Amendment and drafting supported;
- j) CAP065 – We support the principle of the Proposal but believe that there is an error in the drafting which should either be addressed here or as part of CAP057 where in (new) Clause 3.20 the reference to TSUOS should be deleted;
- k) CAP066 - Amendment and drafting supported;

If necessary these comments should be considered as Alternative Amendment Proposals. Should you wish to discuss any of our comments please do not hesitate to contact me.

Yours sincerely,

Simon Goldring  
Transportation Manager

<b>Reference</b>	CAPs056-066-CR-02
<b>Company</b>	British Energy

Please find attached British Energy's response to the above consultation.  
\*\*Note that I've copied the response directly to Richard too, as an earlier attempt by Rachel last night to email the response to Beth was unsuccessful.  
\*\*

Regards

Steve

Steve Phillips

Senior Trading Consultant

Market Development

Power & Energy Trading

E-mail: [steve.phillips@british-energy.com](mailto:steve.phillips@british-energy.com)

Direct Dial: +44 (0)1452 652317

Mobile : +44 (0) 7836 752269

**On Behalf of**

British Energy Power and Energy Trading

British Energy Generation Ltd

Eggborough Power Ltd

<<Proforma responseFinal.doc>>

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**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.	YES	
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.	YES	
CAP058	CUSC 2.5 – Reinstatement of definition.	YES	
CAP059	CUSC 2.17.8- Correction to paragraph reference.	YES	
CAP060	CUSC 6.6.4 – Correction of Spelling error.	YES	
CAP061	CUSC Exhibit F Note 10 – Addition of Missing Detail.	YES	
CAP062	CUSC Exhibit F Note 9, Exhibit I Note 12, Exhibit B Note 13, Exhibit D Note 14– Update Contact address.	YES	
CAP063	CUSC Exhibit O Part I Schedule 6, Exhibit O Part II Schedule 6 – Update contact address.	YES	
CAP064	CUSC-Schedule 2 Exhibit 3 Paragraph 7.2 - Correction to paragraph references.	YES	
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.	YES	
CAP066	CUSC 10.3.1,10.3.2, 10.5, 10.6, 10.7, 10.9, 10.11, 10.12	NO	Specifically CUSC 10.12 we do not believe is a housekeeping

	<p>and Appendix in Section 10                  Deletion of redundant Paragraph and associated Appendix. Amendments to Associated paragraph Referencing too.</p>		<p>issue and should be retained. The potential deletion of this clause can not in any way be seen to better facilitate achievement of either the efficiency or competition CUSC objectives</p>
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## **Annex 4 – 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 28 October 2003), requesting comments by close of business on 4 November 2003).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	British Energy	CAPs 056-066



<b>Reference</b>	CAPs 056-066 AR-1
<b>Company</b>	British Gas

To clarify our earlier brief proforma response to the formal consultation :-

We have had a further loPhillips Steve [steve.phillips@british-energy.com]ok at the text of the CUSC in relation to the proposal to delete CUSC 10.12 as part of the CAP066 housekeeping amendment.

We do not believe that you have correctly captured our comments in the draft Amendment report but we accept that this is probably a function of the limited information in our original proforma response.

For the avoidance of doubt in respect of CAP066, British Energy only object to the removal of clause 10.12 from the CUSC, as we do not believe that this is a housekeeping issue; it is one of contractual definition and clarity. All other clauses affected by CAP066 are agreed to be housekeeping changes. With hindsight, we should therefore have raised an Alternative Amendment identical to the NGC CAP066 but excluding the reference to delete CUSC 10.12 to ensure clause 10.12 is retained.

The rationale for not removing clause 10.12 is as follows.

By removing para 10.12, we can find no other reference within CUSC that the MCUSA, (which remains a Core Industry Document albeit dormant), was amended into the CUSC as of the CUSC Implementation Date.

We do note that section 7© of the general introduction to the CUSC (which neither forms part of the CUSC nor has any legally binding effect) together with sections 7.1.1. and 10.1 and 10.2 in general do reference the amending of the MCUSA to form the CUSC but only in 10.12 is there an actual specific reference identifying when the changeover will be [was] effected. Whilst the future tense used in 10.12 may no longer be strictly accurate/relevant, the cutover to the CUSC, which was not coincident with NETA go-live' provides contractual certainty with the actual CUSC Implementation Date and the linkage to the Transmission Licence.

We believe that until such time that the MCUSA is itself terminated, clause 10.12 therefore remains valid.

In addition, in the context of amendment proposals having to 'better facilitate achievement of the applicable CUSC Objectives' we believe that the deletion of this clause neither improves the efficient discharge of NGC's licence obligations (the clause is still pertinent and its removal actually removes the contractual certainty in relation to the clarity of the MCUSA/CUSC relationship and cutover), nor can its removal be seen as enhancing competition.

Furthermore we do not accept that NGC's rationale for clause 10.12 deletion as provided for in CAP066 that "removal of historic transitional provisions that no longer have any application...and should therefore be removed [as] 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” is valid.

Please ensure that the final Amendment Report to be issued to Ofgem more accurately reflects our comments and concerns as outlined above.

## Regards

**Steve**

### **Steve Phillips**

Senior Trading Consultant  
Market Development  
Power & Energy Trading

E-mail: [steve.phillips@british-energy.com](mailto:steve.phillips@british-energy.com)  
Direct Dial: +44 (0)1452 652317  
Mobile : +44 (0) 7836 752269

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