

# CUSC Amendment Proposal Form

CAP055

## Title of Amendment Proposal:

Users' Demand Forecasts for TNUoS Charging

## Description of the Proposed Amendment *(mandatory by proposer)*:

The CUSC currently requires Suppliers to provide NGC with demand forecasts to enable NGC to calculate monthly Transmission Network Use of System (TNUoS) charges, but contains no requirements relating to the quality of these forecasts. The proposed amendment will make it clear that these forecasts should be reasonable, and, if they are deemed unreasonable by NGC, NGC will instead be entitled to use its own fair and reasonable estimates.

## Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory by proposer)*:

Paragraph 3.10 of the CUSC requires Users to provide forecasts to NGC on or before the end of the second week in December for the purposes of calculating both the TNUoS tariffs and that User's specific demand charges. It makes no reference to the quality of these forecasts, and National Grid has concerns that a number of Suppliers have recently submitted poor quality forecasts.

The Proposed Amendment therefore seeks to allow NGC to reject any forecasts that it considers to be unreasonable, and instead to use its own fair and reasonable estimates. The detailed process for doing so will be set out either in the CUSC or in the Charging Statements. The Proposed Amendment would therefore protect NGC (and ultimately the industry) from the effects of failing Suppliers who have under-paid TNUoS charges as a result of poor quality forecasting.

The Proposed Amendment should also clarify the data required from Users, the timescales for its submission, the process for revising forecasts, and the requirements for new Users. These points of clarification, together with the need to ensure that Suppliers could not over-ride a NGC forecast with an unreasonable demand resubmission, mean that amendments to paragraph 3.11 of the CUSC would also be necessary.

## Impact on the CUSC *(this should be given where possible)*:

Paragraphs 3.10 and 3.11 of the CUSC would require significant amendment in order to give effect to the changes proposed above. Alternatively, more minor revisions could be made to these paragraphs, with the detailed process instead set out in the Charging Statements.

## Impact on Core Industry Documentation *(this should be given where possible)*:

None.

## Impact on Computer Systems and Processes used by CUSC Parties *(this should be given where possible)*:

None.

## Details of any Related Modifications to Other Industry Codes *(where known)*:

The Statement of the Use of System Charging Methodology may also require modification, as described above.

**Justification for Proposed Amendment with Reference to Applicable CUSC Objectives\*\****(mandatory by proposer):*

The absence of any requirement for Suppliers to provide reasonable forecasts may result in effective discrimination in favour of those that under-forecast, by reducing their monthly TNUoS charges. Implementation of this Proposal would eliminate any discrimination and therefore better facilitate effective competition in the supply of electricity, as all Suppliers' charges would then be cost-reflective.

<b>Details of Proposer:</b> Organisation's Name:	National Grid Company plc
<b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Andrew Truswell National Grid Company plc 01926 656388 <a href="mailto:andrew.truswell@ngtuk.com">andrew.truswell@ngtuk.com</a>
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid Company plc 01926 655988 <a href="mailto:andy.balkwill@ngtuk.com">andy.balkwill@ngtuk.com</a>
<b>Attachments (Yes/No):</b> No <b>If Yes, Title and No. of pages of each Attachment:</b>	

**Notes:**

- Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
- The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn  
Panel Secretary  
Commercial 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).

3. Applicable CUSC Objectives\*\* - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.