



National Grid

CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP020

*(Change of timescales associated with issuing
BS Provisional Monthly Statement)*

| | |
|---------------|---------------|
| Amendment Ref | CAP020 |
| Issue | 1.0 |
| Date of Issue | 9 August 2002 |
| Prepared by | National Grid |

DOCUMENT CONTROL

| Version | Date | Author | Change Reference |
|---------|----------|---------------|------------------------------------|
| 0.1 | 02/08/02 | National Grid | Initial Draft for internal comment |
| 0.2 | 08/08/02 | National Grid | Final Draft for internal comment |
| 1.0 | 09/08/02 | National Grid | Formal version for release |

DOCUMENT LOCATION

National Grid website:

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

DISTRIBUTION

| Name | Organisation |
|--|--------------|
| CUSC Parties | Various |
| Panel Members | Various |
| Interested Parties | Various |
| National Grid Industry Information Website | |
| | |

I. CONTENTS TABLE

| | |
|---|----------|
| DOCUMENT CONTROL | 2 |
| DOCUMENT LOCATION | 2 |
| DISTRIBUTION | 2 |
| I. CONTENTS TABLE | 3 |
| 1.0 EXECUTIVE SUMMARY | 4 |
| 2.0 INTRODUCTION | 5 |
| 3.0 RESPONSES TO CONSULTATION | 5 |
| 4.0 AMENDMENT PROPOSAL AND DISCUSSION | 6 |
| 4.1 The Proposed Amendment Proposal | 6 |
| 5.0 SUMMARY OF RECOMMENDATIONS & VIEWS INVITED | 7 |
| 5.1 National Grid Recommendation | 7 |
| 5.2 Amendments Panel Recommendation..... | 7 |
| 5.3 Views Invited | 7 |
| ANNEX 1 – CUSC AMENDMENT PROPOSAL..... | 8 |

1.0 Executive Summary

- 1.1 Under the current arrangements of the CUSC, National Grid is required to send Ancillary Service Providers a Balancing Services Provisional Monthly Statement on the fifth business day of each calendar month. This statement details any Balancing Services (procured via the CUSC) that have been provided and any corresponding payments that are to be received/made in respect of the previous calendar month. The details are provided by way of:
- (i) A Provisional Statement (that details daily technical reports of all Balancing Services supplied and a summary of each service provided); and
 - (ii) If relevant, a statement showing any adjustments to be made in relation to disputes for Balancing Services concerning any month prior to the previous month.
- 1.2 Further to thirteen further business days after the issue of the Provisional Monthly Statement (i.e. the eighteenth business day of each calendar month), National Grid is then required to send Ancillary Service Providers a Balancing Services Final Monthly Statement (consisting of a Final Statement and a Final Adjustments Statement if applicable). This effectively 'confirms' the data (or otherwise) contained in the Provisional Monthly Statement (assuming there are no unresolved disputes).
- 1.3 The timing of the current process, however, means that part of the BSC data (relating to the settlement days towards the end of the month) needs to be based on estimated data. This is due to the fact that the actual, initial BSC data contained in the Interim Information Settlement Run (specifically from the SAA I014 file) is not typically available until 5 business days after the Settlement Day in question.
- 1.4 CUSC Amendment Proposal CAP020, as submitted by National Grid, proposes to delay the issue of the Balancing Services Provisional Monthly Statement until three business days after the issue of the Interim Information Settlement Run (issued in respect of the final day of the calendar month in question). Such amendment will remove the need to use estimated data in the Provisional Monthly Statement.
- 1.5 CUSC Amendment Proposal CAP020 was submitted by National Grid for consideration by the CUSC Amendments Panel at their 26 July 2002 meeting. At the meeting, the Amendments Panel agreed that the issue was appropriate to proceed to wider consultation by National Grid (in accordance with 8.17.12(b)).
- 1.6 This document initiates the wider consultation exercise and invites views on Amendment Proposal CAP020. The closing date of this consultation exercise is 16 September 2002.

- 1.7 It should be noted that this CUSC Amendment Proposal causes no change to the time-scales associated with the issue of the Final Monthly Statement (i.e. the Final Monthly Statement in respect of the previous calendar month will continue to be issued on the eighteenth business day of each calendar month).
- 1.8 It should also be noted, that National Grid (under a separate exercise) shall be consulting with providers of Commercial Services to seek similar amendment to the time-scales associated with issuing Monthly Statements in respect of any Commercial Services that have been provided.

2.0 Introduction

- 2.1 This is a consultation document 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 an issue relating to the time-scales associated with issuing the Balancing Services Provisional Monthly Statement (as currently set out in Section 4 of the CUSC).
- 2.2 Further to the submission of Amendment Proposal CAP020 (see Annex 1), the Amendments Panel agreed that the issue was appropriate to proceed to wider consultation by National Grid (in accordance with 8.17.12(b)). This document seeks views from Industry members relating to the proposed amendment. Such an amendment will result in some minor changes to Section 4 of the CUSC (as detailed in Annex 2).
- 2.3 This document outlines the nature of the CUSC changes that are proposed for implementation with effect from 30 days after the Authority's decision or 1 January 2003 (whichever is the later date). It incorporates National Grid's and the Amendments Panel's views on the way forward concerning this Amendment. 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 its Direction.
- 2.4 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.nationalgridinfo.co.uk/cusc>.

3.0 Responses to Consultation

- 3.1 Please send your responses to this consultation document to National Grid by no later than close of business Monday, 16 September 2002.

- 3.2 Please address all comments to the following e-mail address: david.friend@uk.ngrid.com and entitle your email 'CAP020 Consultation Response'.

Alternatively, comments may be addressed to:

David Friend
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry CV4 8JY
Tel: 024 7642 3069
Fax: 024 7642 3298

4.0 Amendment Proposal and Discussion

4.1 The Proposed Amendment Proposal

- 4.1.1 CUSC Amendment Proposal CAP020 (See Annex 1) as submitted by National Grid proposes some minor changes to Section 4 of the CUSC. The effect of these changes, if implemented, would be to delay the issue of the Balancing Services Provisional Monthly Statement.
- 4.1.2 Currently, National Grid is required to issue the Balancing Services Provisional Monthly Statement (in respect of the previous calendar month) on the fifth business day of each calendar month. Such timing means that part of the BSC data (relating to trading days at the end of the month) needs to be based on estimated data since actual BSC data from the Interim Information Settlement Run (as contained in the SAA I014 file for each trading day) is not available.
- 4.1.3 CUSC Amendment Proposal CAP020 proposes to delay the issue of the Balancing Services Provisional Monthly Statement until three business days after the issue of the Interim Information Settlement Run that is issued in respect of the final day of the calendar month in question. This will remove the need to use estimated data in the Balancing Services Provisional Monthly Statement (meaning all data contained in the Provisional Monthly Statement will be based on actual, initial Settlement data).
- 4.1.4 It should be noted that the proposed amendment causes no change to the time-scales associated with the issue of the Final Monthly Statement (i.e. the Final Monthly Statement in respect of the previous calendar month will continue to be issued on the eighteenth business day of each calendar month).
- 4.1.5 It should also be noted, that National Grid (under a separate exercise) shall be consulting with providers of Commercial Services to seek

similar amendment to the time-scales associated with issuing Monthly Statements in respect of any Commercial Services that have been provided.

5.0 Summary of Recommendations & Views Invited

5.1 National Grid Recommendation

5.1.1 National Grid recommends that Amendment Proposal CAP020 is implemented to the time-scales proposed on the basis that it better facilitates achievement of the Applicable CUSC Objectives as set out in paragraph 1 of Condition C7F to National Grid's Transmission Licence.

5.1.2 This is on the grounds that improving the efficiency of business processes (as defined in the CUSC) enables National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to fulfil its obligations to facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

5.2 Amendments Panel Recommendation

5.2.1 The CUSC Amendments Panel agreed that the matter should proceed to wider consultation by National Grid (in accordance with 8.17.12(b)). This is to seek views on the proposed Amendment and whether the Amendment better facilitates the Applicable CUSC Objectives.

5.3 Views Invited

5.3.1 National Grid seeks the views of interested Parties relating to this Amendment Proposal. Responses should be sent to National Grid by no later than close of business Monday, 16 September 2002 to the address shown in Paragraph 3.2 above.

Annex 1 – CUSC Amendment Proposal

| CUSC Amendment Proposal Form | CAP020 |
|--|---------------|
| | |
| Title of Amendment Proposal: Change of timescales associated with issuing the Balancing Services Provisional Monthly Statement. | |
| Description of the Proposed Amendment (mandatory by proposer): It is proposed to change the issue of the Balancing Services Provisional Monthly Statement from the 5 th Business Day of each calendar month to three business days after the issue of the Interim Information Settlement Run that is issued in respect of the final day of the calendar month in question. This will ensure there is sufficient time to receive BSC derived data from all the Interim Information Settlement Runs for the month in question and remove the need to base part of the Provisional Monthly Statement on forecast BSC data. | |
| Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): Currently National Grid is required to issue the Balancing Services Provisional Monthly Statement (in respect of the previous calendar month) on the fifth business day of each calendar month. Such timing means that part of the BSC data (relating to trading days at the end of the month) needs to be based on estimated data since actual BSC data from the Interim Information Settlement Runs (as contained in the SAA I014 file for each trading day) is not available. This CUSC Amendment proposes to delay the issue of the Balancing Services Provisional Monthly Statement until three business days after the issue of the Interim Information Settlement Run that is issued in respect of the final day of the calendar month in question. This will remove the need to use estimated data in the Balancing Services Provisional Monthly Statement (meaning all data contained in the Provisional Monthly Statement will be based on actual, initial Settlement data). | |
| Impact on the CUSC (this should be given where possible): See attached draft text | |
| 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): This proposal would delay the receipt by CUSC Parties of the Balancing Services Provisional Monthly Statement by three days (in general). | |
| Details of any Related Modifications to Other Industry Codes (where known): None | |
| Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer): Improving the efficiency of business processes (as defined in the CUSC) enables National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity | |

| | |
|--|--|
| Details of Proposer: Organisation's Name: | National Grid |
| Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch") | CUSC Party |
| Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address: | Phil Lawton National Grid 024 7642 3966 phil.lawton@uk.ngrid.com |
| Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address: | Malcolm Arthur National Grid 024 7642 3200 malcolm.arthur@uk.ngrid.com |
| Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: | Draft Outline of Changes Required (1 Page) |

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

(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).

Attachment: Draft Outline of Changes Required

Modify Paragraphs 4.3.2.1 and 4.3.2.22 as follows:

4.3.2.1 ~~On the third Business Day following receipt from the SAA of the Interim Information Settlement Run issued in respect of the final day of the previous calendar month. On the fifth Business Day of each calendar month~~ NGC shall send to the **User** a statement ("**Provisional Monthly Statement**") consisting of:-

- (a) a statement ("**Provisional Statement**") incorporating:-
 - (i) detailed daily technical reports of all **Balancing Services** supplied by the **User** pursuant to the relevant **Balancing Services Agreement** during the previous calendar month;
 - (ii) a summary of each **Balancing Service** so supplied; and
- (b) if relevant a statement showing adjustments to be made (net of interest) in relation to disputes for **Balancing Services** concerning any month prior to the previous month ("**Provisional Adjustments Statement**"),

in each case showing the payments due to or from the **User** as a result thereof.

4.3.2.6 ~~On the eighteenth, Thirteen Business Days of each calendar month, after the date specified in Paragraph 4.3.2.1,~~ NGC shall send to the **User** a statement ("**Final Monthly Statement**") consisting of:-

- (a) a statement ("**Final Statement**") incorporating:-
 - (i) in the case of an undisputed **Provisional Statement** (or where any dispute has been resolved and no changes have been effected to the calculations contained in the **Provisional Statement**) a further monthly summary of the **Balancing Services** provided together with an invoice for the amount shown as being due to the **User** or **NGC** (as the case may be); or
 - (ii) in the case of a disputed **Provisional Statement** such that changes are required as a result thereof, a further copy of the detailed daily technical reports referred to at Paragraph 4.3.2.1(a)(i), a revised monthly summary of the **Balancing Services** provided and an invoice for the amount shown as being due to the **User** or **NGC** (as the case may be); and
- (b) if a **Provisional Adjustments Statement** has been issued in accordance with Paragraph 4.3.2.1(b), a statement ("**Final Adjustments Statement**") showing adjustments to be made in relation to disputes for **Balancing Services** concerning any month prior to the previous month together with interest thereon up to and including the date of payment referred to in Paragraph 4.3.2.10. Such adjustments will be reflected in the invoice referred to at Paragraph 4.3.2.6(a)(i) above.

4.3.2.22 For the avoidance of doubt, **NGC** shall issue a **Provisional Monthly Statement** to the **User** ~~on the fifth Business Day of for~~ the calendar month following the calendar month in which any **Balancing Services Agreement** to which the **User** is a party shall expire or terminate, setting out details of the **Balancing Services** supplied by the **User** in respect thereof during that calendar month until expiry or termination, and in respect thereof the provisions of this Paragraph 4.3.2 shall continue to apply notwithstanding such expiry or termination.

New Definitions to be added to Section 11 of the CUSC:

| | |
|---|--|
| <u>"Interim Information Settlement Run"</u> | As defined in the <u>Balancing and Settlement Code</u> |
| <u>"SAA"</u> | As defined in the <u>Balancing and Settlement Code</u> |

Annex 2 – Proposed Text to Modify the CUSC

Changes to Paragraph 4.3 as follows:

4.3.2.1 ~~On the third Business Day following receipt from the Settlement Administration Agent of the Interim Information Settlement Run issued in respect of the final day of the previous calendar month~~ ~~On the fifth Business Day of each calendar month~~ NGC shall send to the User a statement ("Provisional Monthly Statement") consisting of:-

- (a) a statement ("Provisional Statement") incorporating:-
 - (iii) detailed daily technical reports of all **Balancing Services** supplied by the User pursuant to the relevant **Balancing Services Agreement** during the previous calendar month;
 - (iv) a summary of each **Balancing Service** so supplied; and
- (b) if relevant a statement showing adjustments to be made (net of interest) in relation to disputes for **Balancing Services** concerning any month prior to the previous month ("**Provisional Adjustments Statement**"),

in each case showing the payments due to or from the User as a result thereof.

4.3.2.6 ~~On the eighteenth Thirteen Business Days of each calendar month, after the date specified in Paragraph 4.3.2.1,~~ NGC shall send to the User a statement ("**Final Monthly Statement**") consisting of:-

- (a) a statement ("**Final Statement**") incorporating:-
 - (iii) in the case of an undisputed **Provisional Statement** (or where any dispute has been resolved and no changes have been effected to the calculations contained in the **Provisional Statement**) a further monthly summary of the **Balancing Services** provided together with an invoice for the amount shown as being due to the User or NGC (as the case may be); or
 - (iv) in the case of a disputed **Provisional Statement** such that changes are required as a result thereof, a further copy of the detailed daily technical reports referred to at Paragraph 4.3.2.1(a)(i), a revised monthly summary of the **Balancing Services** provided and an invoice for the amount shown as being due to the User or NGC (as the case may be); and
- (b) if a **Provisional Adjustments Statement** has been issued in accordance with Paragraph 4.3.2.1(b), a statement ("**Final Adjustments Statement**") showing adjustments to be made in relation to disputes for **Balancing Services** concerning any month prior to the previous month together with interest thereon up to and including the date of payment referred to in Paragraph 4.3.2.10. Such adjustments will be reflected in the invoice referred to at Paragraph 4.3.2.6(a)(i) above.

4.3.2.22 For the avoidance of doubt, NGC shall issue a **Provisional Monthly Statement** to the User ~~on the fifth Business Day of~~ the calendar month following the calendar month in which any **Balancing Services Agreement** to which the User is a party shall expire or terminate, setting out details of the **Balancing Services** supplied by the User in respect thereof during that calendar month until expiry or termination,

and in respect thereof the provisions of this Paragraph 4.3.2 shall continue to apply notwithstanding such expiry or termination.

Definitions to be added to Section 11 as follows:

"Interim Information Settlement Run" As defined in the **Balancing and Settlement Code** |