

CUSC Amendment Proposal Form	CAP018
<p>Title of Amendment Proposal:</p> <p>Credit Cover Requirements for Use of System Charges</p>	
<p>Description of the Proposed Amendment <i>(mandatory by proposer):</i></p> <p>This Amendment Proposal seeks to remove the use of Approved Credit Ratings to determine which Users have to provide security for Transmission Network Use of System (TNUoS) charges and Balancing Services Use of System (BSUoS) charges and to remove Parent Company Guarantees as a means of providing such security.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i></p> <p>Under the current arrangements, Transmission Network Users who do not meet the required Approved Credit Rating (ACR) must provide security against TNUoS and BSUoS Charges and can do this by providing:</p> <ol style="list-style-type: none"> 1. A Qualifying Guarantee from a Company that holds an Approved Credit Rating (ACR). Most commonly, this is in the form of a Parent Company Guarantee; 2. A Letter of Credit (LoC); or 3. A cash deposit. <p>However, National Grid considers a policy that requires Users to provide credit cover against TNUoS and BSUoS charges by reference to whether they (or their Parent Company) meet an ACR is inappropriate as:</p> <ol style="list-style-type: none"> 1. An Approved Credit Rating does not necessarily guarantee any money in the event that the User defaults; and 2. Such a policy differentiates between companies that have an Approved Credit Rating to those that do not. <p>This Amendment Proposal seeks to address the above deficiencies by amending the CUSC so security (for TNUoS and BSUoS) can only be provided by way of providing a LoC or a cash deposit.</p>	
<p>Impact on the CUSC <i>(this should be given where possible):</i></p> <p>Relevant sections relating to security cover in respect of TNUoS and BSUoS charges.</p>	
<p>Impact on Core Industry Documentation <i>(this should be given where possible):</i></p> <p>None.</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i></p> <p>None.</p>	
<p>Details of any Related Modifications to Other Industry Codes <i>(where known):</i></p> <p>None.</p>	
<p>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives <i>(mandatory by proposer):</i></p> <p>An amendment to the CUSC as outlined above will enable National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.</p>	

Details of Proposer: Organisation's Name:	The National Grid Company plc
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid 024 7642 3198 andy.balkwill@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Edgar Goddard National Grid 024 7642 3185 edgar.goddard@uk.ngrid.com
Attachments (Yes/No): No	
If Yes, Title and No. of pages of each Attachment:	

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:

Mark Cox
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).