



National Grid

CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP013

Removal of Redundant Paragraph

Paragraph 6.6.1(b) – Energy related recurrent charges

Amendment Ref	CAP013
Issue	1.0
Date of Issue	25 January 2002
Prepared by	National Grid

DOCUMENT CONTROL

Version	Date	Author	Change Reference
0.1	18/01/02	National Grid	Initial Draft for internal comment
1.0	25/01/02	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.....4

3.0 RESPONSES TO CONSULTATION.....5

4.0 THE PROPOSED AMENDMENT PROPOSAL.....5

5.0 SUMMARY RECOMMENDATIONS & VIEWS INVITED6

 5.1 National Grid Recommendation6

 5.2 Amendments Panel Recommendation.....6

 5.3 Views Invited.....6

ANNEX 1 – CUSC AMENDMENT PROPOSAL7

ANNEX 2 – PROPOSED TEXT TO MODIFY CUSC9

1.0 Executive Summary

- 1.1 Prior to the introduction of the Investment Cost Related Pricing (ICRP) charging methodology in 1993/94, Use of Transmission System charges were split into two components; a System Service Charge and an Infrastructure charge.
- 1.2 For Users with generating plant, the infrastructure component included, inter alia, a charge based on the kWh output of the generator. This charge was termed the Infrastructure Energy Charge. National Grid invoiced such charges on a monthly basis in accordance with Sub Clause 14.1(ii) of the MCUSA.
- 1.3 Following the introduction of the ICRP methodology in 1993/94, the charging rules contained in Sub Clause 14.1(ii) could have been amended to reflect the fact that Infrastructure Energy Charges were no longer invoiced. However, due to the general complexity associated with the MCUSA modification process, the rules concerning the invoicing of the Charges were not amended. Furthermore, the change was not picked up during the establishment of the CUSC given that the remit was to codify the provisions of the MCUSA and Supplemental Agreements meaning the existing wording was carried over.
- 1.4 National Grid submitted CUSC Amendment Proposal CAP013 to the Amendments Panel for consideration at their 11 January 2002 meeting. CAP013 proposes the removal of the redundant paragraph relating to the invoicing of Infrastructure Energy Charges 6.6.1(b). At the meeting, the Panel determined that CAP013 should be sent straight out to wider industry consultation.
- 1.5 This document initiates the wider industry consultation process and invites views on Amendment Proposal CAP013. The consultation closing date is 22 February 2002.

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 that relates to the removal of a redundant paragraph, Paragraph 6.6.1(b) from the CUSC.
- 2.2 Further to the submission of Amendment Proposal CAP013 (see Annex 1), this document seeks views from Industry members relating to the proposed amendment. Such an amendment will result in changes to Section 6 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 1 April 2002. 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 their 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 Friday, 22 February 2002.
- 3.2 Please address all comments to the following e-mail address:
david.friend@uk.ngrid.com

Alternatively, comments may be addressed to:

David Friend
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

Fax: 024 7642 3298

4.0 The Proposed Amendment Proposal

- 4.1 CUSC Amendment Proposal CAP013 (see Annex 1) as submitted by National Grid proposes the removal of paragraph 6.6.1(b) from the CUSC. This is on the grounds that the paragraph is no longer applicable.
- 4.2 The paragraph was codified into the CUSC from Sub Clause 14.1(ii) of the MCUSA and relates to the manner in which National Grid previously invoiced generators for energy related recurrent monthly charges. Such charges formed part of the infrastructure charge that was payable by Users prior to the introduction of the Investment Cost Related Pricing (ICRP) methodology in 1993/94. Although both Transmission Network Use of System (TNUoS) charges and Balancing Services Use of System (BSUoS) charges are energy related charges, they are not, and never have been invoiced under 6.6.1(b) of the CUSC (or under Sub Clause 14.1 (ii) of the MCUSA).

- 4.3 The Sub-Clause was not removed from the MCUSA on introduction of the ICRP methodology mainly due to the complexity associated with the MCUSA modification process. Furthermore, the change was not picked up during the establishment of the CUSC given that the remit was to codify the provisions of the MCUSA and Supplemental Agreements meaning the existing wording was carried over.
- 4.4 National Grid invoices Users for Connection Charges and TNUoS Charges pursuant to Paragraph 6.6.1(a) and BSUoS Charges pursuant to Paragraph 3.14.2 of the CUSC.

5.0 Summary of Recommendations & Views Invited

5.1 National Grid Recommendation

- 5.1.1 National Grid recommends that Amendment Proposal CAP013 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 removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and 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 members agreed with National Grid's views outlined above and proposed that the matter be subjected to consultation. 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 Friday, 22 February 2002 to the address shown in Paragraph 3.2 above.

Annex 1 – CUSC Amendment Proposal

CUSC Amendment Proposal Form	CAP013
<p>Title of Amendment Proposal:</p> <p>Removal of Redundant Paragraph [6.6.1(b) - Energy related recurrent charges]</p>	
<p>Description of the Proposed Amendment <i>(mandatory by proposer):</i></p> <p>This Amendment proposes the removal of a redundant paragraph [6.6.1(b)] from the CUSC. The clause was codified into the CUSC from Section 14 of the MCUSA and relates to the manner in which National Grid previously invoiced generators for Energy related recurrent monthly charges (an element of the Infrastructure charge). This type of charge has not been payable since 1992/93 (the charges relate to the pre ICRP methodology) so the paragraph is no longer appropriate.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i></p> <p>Paragraph 6.6.1(b) of the CUSC is redundant as National Grid invoices Users for Connection Charges and Transmission Network Use of System (TNUoS) Charges pursuant to Section 6.6.1(a) and Balancing Services Use of System (BSUoS) Charges pursuant to Section 3.14.2.</p>	
<p>Impact on the CUSC <i>(this should be given where possible):</i></p> <p>Removal of Paragraph 6.6.1(b) and re-numbering of Paragraph 6.6.1(c) to 6.6.1(b).</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>Removal of redundant paragraphs from the CUSC as put forward in this Amendment Proposal improves the clarity of the CUSC documentation thereby enabling 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:	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:	Andy Balkwill National Grid 024 7642 3198 andy.balkwill@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mike Metcalfe National Grid 024 7642 3235 michael.metcalfe@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).

Annex 2 – Proposed Text to Modify CUSC

6.6 PAYMENT

6.6.1 **NGC** will invoice **Users** for **Connection Charges** and/or **Use of System Charges** due under the **CUSC** and/or each **Bilateral Agreement** and/or as notified to the User where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:

(a) in the case of recurrent monthly charges ~~other than the Energy related charges~~ identified in the relevant **Charging Statements** **NGC** shall despatch an invoice on or before the 15th day of the month for the charges due in relation to that month;

~~(b) in the case of the Energy related recurrent monthly charges identified in the relevant Charging Statements NGC shall despatch an invoice on or before the 1st day of a month covering the charges due in relation to the period expiring on the 15th day of the preceding month and commencing on the 16th day of the month before that;~~

~~(e)~~(b) unless otherwise specified in the **CUSC** where charges are payable other than monthly **NGC** shall despatch an invoice not less than 30 days prior to the due date for payment.