

CUSC Workgroup Consultation Response Proforma**CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 23 November 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Joseph.Henry2@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Bill Reed
Company name:	RWE Supply & Trading GmbH
Email address:	Bill.reed@rwe.com
Phone number:	07795 355 310

For reference the applicable CUSC (charging) objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and*
- e. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP344 Original Proposal better facilitates the Applicable Objectives?	<p>We believe that CMP344 will better meet the CUSC Objectives. As we noted in the proposal, the modification will:</p> <ul style="list-style-type: none"> • Better meet Objective (a) by addressing ambiguities in the CUSC that are related to the way in which transmission licensees including OFTOs can recover allowed revenue over a price control period and by clarifying the treatment of cost recovery associated with unforeseen and unforeseeable events such as income adjusting events, where these costs will be recovered through the demand residual; and • Better meet Objective (b) by clarifying the arrangements that enable transmission licensees to recover unforeseen and unforeseeable costs through the demand residual in manner that is fair, proportionate and non-distortive; and • Better meet Objective (e): by ensuring the efficient recovery of costs by transmission licensees and avoiding the potential for lengthy and costly disputes between users and transmission licensees that could arise as a result of the current drafting of the CUSC.
2	Do you support the proposed implementation approach?	We support the proposed implementation approach. Since the modification is linked to the price controls, we support implementation on 1 st April 2020.
3	Do you have any other comments?	We have no other comments
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	We do not wish to raise a workgroup consultation alternative.