

Stage 03: Workgroup Report Volume 2

Connection and Use of System Code
(CUSC)

CMP195 Code Governance Review post implementation clarifications

This document contains the draft legal text for Sections 8 and 11 of the CUSC

What stage is this document at?

- 01 Initial Written Assessment
- 02 Workgroup Consultation
- 03 Workgroup Report**
- 04 Code Administrator Consultation
- 05 Draft CUSC Modification Report
- 06 Final CUSC Modification Report

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CUSC - SECTION 8

CUSC MODIFICATION

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CUSC - SECTION 8

CUSC MODIFICATION

~~8.~~

8. Part A

8.1 INTRODUCTION

8.1.1 This section of the **CUSC** sets out how the **CUSC** is to be amended and the procedures set out in this section, to the extent that they are dealt with in the **Code Administration Code of Practice**, are consistent with the principles contained in the **Code Administration Code of Practice**. Where inconsistencies or conflicts exist between the **CUSC** and the **Code Administration Code of Practice**, the **CUSC** shall take precedence. A modification to the **CUSC** may necessitate a modification to relevant **Bilateral Agreements** and/or to the **Mandatory Services Agreements** (and/or in certain circumstances the relevant **Construction Agreement**) and in those circumstances those agreements contain provisions for such alterations to be effected to those agreements.

8.1.2 There is a need to bring proposed amendments to the attention of **CUSC Parties** and others, to discuss such proposals and to report on them to the **Authority** and in furtherance of this, Section 8 provides for the establishment of a **CUSC Modifications Panel**, **Workgroups** and **Standing Groups** and for consultation by ~~The Company~~ the Code Administrator.

8.1.3 Change Routes

- (a) A **CUSC Modification Proposal** may either proceed directly along the standard **CUSC Modification Process**, or it may be subject to additional process steps, if raised during a **Significant Code Review**.
- (b) If a **CUSC Modification Proposal** is deemed by the **CUSC Modifications Panel** to meet the **Self-Governance Criteria**, it will be subject to a slightly different process.

8.1.4 Significant Code Review

- (a) ~~1.1.1~~A **Significant Code Review** is a ~~high level~~ code review process initiated and led by the **Authority**, on one of a number of potential triggers. The **Authority** will launch a **Significant Code Review** on publication of a notice setting out matters such as the scope of the review, reasons for it and announcing the start date.
- (b) ~~1.1.2~~A **Significant Code Review Phase** begins on the start date set out in the **Authority's** notice, during which time **CUSC Modification Proposals** that relate to the subject matter of the review are restricted, to ensure the process is as efficient as possible. Once the **Authority** has published its **Significant Code Review** conclusions, the **Authority** may direct **The Company** to raise **CUSC Modification Proposals** to put into effect the results of the **Significant Code Review**.

- (c) ~~1.1.3~~A process is set out in this Section 8 for analysing and consulting on **CUSC Modification Proposals** with a view to referring to the **Authority** those that may be ~~subsumed into~~ restricted during a Significant Code Review. Subject to Paragraph ~~8.1.7~~8.1.5, those **CUSC Modification Proposals** that are not so ~~subsumed~~ restricted proceed along the standard **CUSC Modification Process** of consultation with the industry followed by approval or non-approval by the **Authority**.

8.1.5 Self-Governance

~~1.1.4~~In addition, **Self-Governance Criteria** are set out against which **CUSC Modification Proposals** must also be evaluated and consulted upon. If a proposal meets the criteria, it may proceed without **Authority** approval, and the **CUSC Modifications Panel** may consult on and determine itself whether to implement the **CUSC Modification Proposal**.

PART B

8.2 CODE ADMINISTRATOR

- 8.2.1 **The Company** shall establish and maintain a **Code Administrator** function, which shall carry out the roles referred to in Paragraph 8.2.2 and 8.3.3. **The Company** shall ensure the functions are consistent with the **Code Administration Code of Practice**.
- 8.2.2 The **Code Administrator** shall in conjunction with other code administrators, maintain, publish, review and (where appropriate) amend from time to time the **Code Administration Code of Practice** approved by the **Authority** provided that any amendments to the **Code Administration Code of Practice** proposed by the **Code Administrator** are approved by the **CUSC Modifications Panel** prior to being raised by the **Code Administrator**, and any amendments to be made to the **Code Administration Code of Practice** are approved by the **Authority**.⁺

8.3 THE CUSC MODIFICATIONS PANEL

8.3.1 Establishment and Composition

- (a) The **CUSC Modifications Panel** shall be the standing body to carry out the functions referred to in Paragraph 8.3.3.
- (b) The **CUSC Modifications Panel** shall comprise the following members:
- (i) the person appointed as the chairman of the **CUSC Modifications Panel** (the “**Panel Chairman**”) in accordance with Paragraph 8.4.1, who shall (subject to Paragraph 8.11.4) be a non-voting member;
 - (ii) not more than seven persons appointed by **Users** in accordance with Paragraph 8.4.2(a);

⁺Condition 10, paragraph 2(e)

- (iii) two persons appointed by **The Company** in accordance with Paragraph 8.4.2(c);
 - (iv) not more than one person appointed by the **National Consumer Council** representing all categories of customers, appointed in accordance with Paragraph 8.4.2(b); and
 - (v) the person appointed (if the **Authority** so decides) by the Authority in accordance with Paragraph 8.4.3.
- (c) The **CUSC Modifications Panel** shall be assisted by a secretary (“**Panel Secretary**”), who shall be a person appointed and provided by the **Code Administrator** and who shall be responsible for the administration of the **CUSC Modifications Panel** and **CUSC Modification Proposals**.

8.3.2 Authority’s Representative

A representative of the **Authority** shall be entitled to attend **CUSC Modifications Panel** meetings as an observer and may speak at any meeting. The **Authority** shall from time to time notify the **Panel Secretary** of the identity of the observer.

8.3.3 Functions of the CUSC Modifications Panel and the Code Administrator’s Role

- (a) The **CUSC Modifications Panel** shall have the functions assigned to it in this Section 8.
- (b) Without prejudice to Paragraph 8.3.3(a) and to the further provisions of this Section 8, the **CUSC Modifications Panel** shall endeavour at all times to operate:
 - (i) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular **CUSC Modification Proposals**; and
 - (ii) with a view to ensuring that the **CUSC** facilitates achievement of the **Applicable CUSC Objectives**.
- (c) **The Company** shall be responsible for implementing or supervising the implementation of **Approved CUSC Modifications** in accordance with the provisions of the **CUSC** which shall reflect the production of the revised **CUSC**. The **Code Administrator** and **The Company** shall be responsible for implementing and supervising the implementation of any amendments to their respective systems and processes necessary for the implementation of the **Approved CUSC Modification**. However, it will not include the implementation of **Users’** systems and processes. The **Code Administrator** will carry out its role in an efficient, economical and expeditious manner and (subject to any extension granted by the **Authority** where the **Code Administrator** has applied for one in accordance with Paragraph 8.3.3(d) or (e) in accordance with the **Implementation Date**.

²Condition 10, paragraph 2(f)(ii)

- (d) Subject to notifying **Users**, the **Code Administrator** will, with the **Authority's** approval, apply to the **Authority** for a revision or revisions to the **Implementation Date** where the **Code Administrator** becomes aware of any circumstances which is likely to mean that the **Implementation Date** is unachievable, which shall include as a result of a **Legal Challenge**, at any point following the approval of the **CUSC Modification Proposal**.
- (e) In the event that the Authority's decision to approve or not to approve a **CUSC Modification Proposal** is subject of **Legal Challenge** (and the party raising such **Legal Challenge** has received from the relevant authority the necessary permission to proceed) then the **Code Administrator** will, with the **Authority's** approval, apply to the **Authority** for a revision or revisions to the **Proposed Implementation Date** in the **CUSC Modification Report** in respect of such **CUSC Modification Proposal** as necessary such that if such **CUSC Modification Proposal** were to be approved following such **Legal Challenge** the **Proposed Implementation Date** would be achievable.
- (f) Prior to making any request to the **Authority** for any revision pursuant to Paragraphs 8.3.3(d) (where it is necessary as a result of a **Legal Challenge**) or 8.3.3(e) the **Code Administrator** shall consult on the revision with **CUSC Parties** and such other person who may properly be considered to have an appropriate interest in it in accordance with Paragraphs ~~8.23.2~~ 8.22.2 and ~~8.23.5~~ 8.22.6. The request to the **Authority** shall contain copies of (and a summary of) all written representations or objections made by consultees during the consultation period.

8.3.4 Duties of Panel Members

- (a) A person appointed as a **Panel Member**, or an **Alternate Member**, by **Users** under Paragraph 8.3.1 or 8.7.2, by the **Authority** under Paragraph 8.4.3 and the person appointed as **Panel Chairman** under Paragraph 8.4.1, and each of their alternates when acting in that capacity:
 - (i) shall act impartially and in accordance with the requirements of the **CUSC**; and
 - (ii) shall not be representative of, and shall act without undue regard to the particular interests of the persons or body of persons by whom he was appointed as **Panel Member** and any **Related Person** from time to time.
- (b) Such a person shall not be appointed as a **Panel Member** or an **Alternate Member** (as the case may be) unless he shall have first:
 - (i) confirmed in writing to the **Code Administrator** for the benefit of all **CUSC Parties** that he agrees to act as a **Panel Member** or **Alternate Member** in accordance with the **CUSC** and acknowledges the requirements of Paragraphs 8.3.4(a) and 8.3.4(c);
 - (ii) where that person is employed, provided to the **Panel Secretary** a letter from his employer agreeing that he may

act as **Panel Member** or **Alternate Member**, and that the requirement in Paragraph 8.3.4(a)(ii) shall prevail over his duties as an employee.

- (c) A **Panel Member** or **Alternate Member** shall, at the time of appointment and upon any change in such interests, disclose (in writing) to the **Panel Secretary** any such interests (in relation to the **CUSC**) as are referred to in Paragraph 8.3.4(a)(ii).
- (d) Upon a change in employment of a **Panel Member** or **Alternate Member**, he shall so notify the **Panel Secretary** and shall endeavour to obtain from his new employer and provide to the **Panel Secretary** a letter in the terms required in Paragraph 8.3.4(b)(ii); and he shall be removed from office if he does not do so within a period of ~~60~~sixty (60) days after such change in employment.

8.4 APPOINTMENT OF PANEL MEMBERS

8.4.1 Panel Chairman

- (a) The **Panel Chairman** shall be an executive director (or other senior employee) of **The Company** until 30 September 2011. Thereafter the **Panel Chairman** shall be a person appointed (or re-appointed) by **The Company**, having particular regard to the views of the **CUSC Modifications Panel**, and shall be independent of **The Company**.
- (b) A person shall be appointed or re-appointed as the **Panel Chairman** where the **Authority** has approved such appointment or re-appointment and **The Company** has given notice to the **Panel Secretary** of such appointment, with effect from the date of such notice or (if later) with effect from the date specified in such notice.

8.4.2 Other Panel Members

- (a) **Users** may appoint **Panel Members** (and **Alternate Members**) by election in accordance with Annex 8A.
- (b) The **National Consumer Council** may appoint one person as a **Panel Member** representing customers by giving notice of such appointment to the **Panel Secretary**, and may remove and re-appoint by notice.
- (c) **The Company** may appoint two persons as **Panel Members** by giving notice of such appointment to the **Panel Secretary**, and may remove and re-appoint by notice.

8.4.3 Appointment of Further Member

- (a) If in the opinion of the **Authority** there is a class or category of person (whether or not a **CUSC Party** or a **BSC Party**) who have interests in respect of the **CUSC** but whose interests:
 - (i) are not reflected in the composition of **Panel Members** for the time being appointed; but
 - (ii) would be so reflected if a particular person was appointed as an additional **Panel Member**,

then the **Authority** may at any time appoint (or re-appoint) that person as a **Panel Member** by giving notice of such appointment to the **Panel Secretary** but in no event shall the **Authority** be able to appoint more than one person so that there could be more than one such **Panel Member**.

- (b) A person appointed as a **Panel Member** pursuant to this Paragraph 8.4.3 shall remain appointed, subject to Paragraphs 8.5 and 8.6, notwithstanding that the conditions by virtue of which he was appointed (for example that the interests he reflects are otherwise reflected) may cease to be satisfied.

8.4.4 Natural Person

No person other than an individual shall be appointed a **Panel Member** or his alternate.

8.5 **TERM OF OFFICE**

The term of office of a **Panel Member**, the **Panel Chairman** and **Alternate Members** shall be a period expiring on 30 September every second year following the **CUSC Implementation Date**. A **Panel Member**, the **Panel Chairman** and **Alternate Member** shall be eligible for reappointment on expiry of his term of office.

8.6 **REMOVAL FROM OFFICE**

8.6.1 A person shall cease to hold office as the **Panel Chairman**, a **Panel Member** or an **Alternate Member**:

- (a) upon expiry of his term of office unless re-appointed;
- (b) if he:
 - (i) resigns from office by notice delivered to the **Panel Secretary**;
 - (ii) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iii) is or may be suffering from mental disorder and either is admitted to hospital in pursuance of an application under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1960 or an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person with respect to his property or affairs;
 - (iv) becomes prohibited by law from being a director of a company under the Companies Act 1985;
 - (v) dies; or
 - (vi) is convicted on an indictable offence; or
- (c) as provided for in Paragraph 8.3.4(d);

- (d) if the **CUSC Modifications Panel** resolves (and the **Authority** does not veto such resolution by notice in writing to the **Panel Secretary** within ~~15~~ fifteen (15) **Business Days**) that he should cease to hold office on grounds of his serious misconduct;
 - (e) if the **CUSC Modifications Panel** resolves (and the **Authority** does not veto such resolution by notice in writing to the **Panel Secretary** within ~~15~~ fifteen (15) **Business Days**) that he should cease to hold office due to a change in employer notwithstanding compliance with Paragraph 8.3.4(d).
- 8.6.2 A **CUSC Modifications Panel** resolution under Paragraph 8.6.1(d) or (e) shall, notwithstanding any other paragraph, require the vote in favour of at least all **Panel Members** less one (other than the **Panel Member** or **Alternate Member** who is the subject of such resolution) and for these purposes an abstention shall count as a vote cast in favour of the resolution. A copy of any such resolution shall forthwith be sent to the **Authority** by the **Panel Secretary**.
- 8.6.3 A person shall not qualify for appointment as a **Panel Member** or **Alternate Member** if at the time of the proposed appointment he would be required by the above paragraph to cease to hold that office.
- 8.6.4 The **Panel Secretary** shall give prompt notice to all **Panel Members**, all **CUSC Parties** and the **Authority** of the appointment or re-appointment of any **Panel Member** or **Alternate Member** or of any **Panel Member** or **Alternate Member** ceasing to hold office and publication on the **Website** and (where relevant details are supplied to the **Panel Secretary**) despatch by electronic mail shall fulfil this obligation.

8.7 ALTERNATES

8.7.1 Alternate: Panel Chairman

The **Panel Chairman** shall preside at every meeting of the **CUSC Modifications Panel** at which he is present. If he is unable to be present at a meeting, he may appoint an alternate (who shall be a senior employee of **The Company**) to act as the **Panel Chairman**, who may or may not be a **Panel Member**. If neither the **Panel Chairman** nor his alternate is present at the meeting within half an hour of the time appointed for holding the meeting, the **Panel Members** present may appoint one of their number to be the chairman of the meeting.

8.7.2 Alternate(s): Users Panel Members

- (a) At the same time that **Users** appoint **Panel Members** under Paragraph 8.4.2(a), they shall appoint up to five (5) alternate members for **Users' Panel Members** ("**Alternate Members**") by election in accordance with Annex 8A.
- (b) Such **Alternate Members** will form a group from which **Panel Members** appointed by **Users** may select a person to act as their alternate under this Paragraph 8.7.
- (c) A **Panel Member** appointed by **Users** may appoint such an **Alternate Member** to be his alternate for any one **CUSC Modifications Panel** meeting, and may remove a person so appointed as alternate, by

giving notice of such appointment or removal to the **Panel Secretary**. A **Panel Member** must chose an **Alternate Member** who has not been already chosen by another **Panel Member** for that **Panel Meeting**. If there are no **Alternate Members** left who have not already been so chosen by another **Panel Member**, the **Panel Member** may chose as his alternate any **Alternate Member** or other **Panel Member** who is not already acting as alternate for more than one **Panel Member**.

- (d) All information to be sent by the **Panel Secretary** to **Panel Members** pursuant to this Section 8 shall also be sent by the **Panel Secretary** to each **Alternate Member** (whether or not currently selected as an alternate for a **Panel Member**) by electronic mail (where relevant details shall have been provided by each **Alternate Member**).

8.7.3 Alternates: Other Panel Members

A **Panel Member** other than those appointed by **Users** may appoint a person (whether or not a **Panel Member**) to be his alternate, and may remove a person so appointed as alternate, by giving notice of such appointment or removal to the **Panel Secretary**.

8.7.4 Alternates: General Provisions

- (a) The appointment or removal by a **Panel Member** of an alternate shall be effective from the time when such notice is given to the **Panel Secretary** or (if later) the time specified in such notice.
- (b) The **Panel Secretary** shall promptly notify all **Panel Members** and **CUSC Parties** of appointment or removal by any **Panel Member** of any alternate and publication on the **Website** and (where relevant details have been provided to the **Panel Secretary**) despatch by electronic mail shall fulfil this obligation.
- (c) In accordance with Paragraph 8.7.2, an alternate may act as alternate for more than one **Panel Member**.

8.7.5 Alternates: Rights, Cessation and References

- (a) Where the **Panel Chairman** or a **Panel Member** has appointed an alternate:
 - (i) the alternate shall be entitled:
 - (aa) unless the appointing **Panel Member** shall otherwise notify the **Panel Secretary**, to receive notices of meetings of the **CUSC Modifications Panel**;
 - (bb) to attend, speak and vote at any meeting of the **CUSC Modifications Panel** at which the **Panel Member** by whom he was appointed is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such **Panel Member**;

- (ii) the alternate shall cast one vote for each **Panel Member** by whom he was appointed, in addition (where he is a **Panel Member** himself) to his own vote;
 - (iii) Paragraphs 8.8, 8.9, 8.10, 8.11 and 8.12 shall apply to the alternate as if he were the appointing **Panel Member** and a reference to a **Panel Member** elsewhere in the **CUSC** shall, unless the context otherwise requires, include his duly appointed alternate.
 - (iv) for the avoidance of doubt, the appointing **Panel Member** shall not enjoy any of the rights transferred to the alternate at any meeting at which, or in relation to any matter on which, the alternate acts on his behalf.
- (b) A person appointed as an alternate shall automatically cease to be such alternate:
- (i) if the appointing **Panel Member** ceases to be a **Panel Member**;
 - (ii) if any of the circumstances in Paragraph 8.6.1(b) applies in relation to such person,

but, in the case of an **Alternate Member**, shall continue to be an **Alternate Member** available for appointment under paragraph 8.7.2.

8.8 MEETINGS

- 8.8.1 Meetings of the **CUSC Modifications Panel** shall be held at regular intervals and at least every month at such time and such place as the **CUSC Modifications Panel** shall decide.
- 8.8.2 A regular meeting of the **CUSC Modifications Panel** may be cancelled if:
- (a) the **Panel Chairman** considers, having due regard to the lack of business in the agenda, that there is insufficient business for the **CUSC Modifications Panel** to conduct and requests the **Panel Secretary** to cancel the meeting;
 - (b) the **Panel Secretary** notifies all **Panel Members**, not less than ~~5~~five **(5) Business Days** before the date for which the meeting is to be convened, of the proposal to cancel the meeting; and
 - (c) by the time ~~3~~three **(3) Business Days** before the date for which the meeting is or is to be convened, no **Panel Member** has notified the **Panel Secretary** that he objects to such cancellation.
- 8.8.3 If any **Panel Member** wishes, acting reasonably, to hold a special meeting (in addition to regular meetings under Paragraph 8.8.1) of the **CUSC Modifications Panel**:
- (a) he shall request the **Panel Secretary** to convene such a meeting and inform the **Panel Secretary** of the matters to be discussed at the meeting;

- (b) the **Panel Secretary** shall promptly convene the special meeting for a day as soon as practicable but not less than ~~5~~ five (5) **Business Days** after such request.
- 8.8.4 Any meeting of the **CUSC Modifications Panel** shall be convened by the **Panel Secretary** by notice (which will be given by electronic mail if the relevant details are supplied to the **Panel Secretary**) to each **Panel Member** (and to the **Authority**):
- (a) setting out the date, time and place of the meeting and (unless the **CUSC Modifications Panel** has otherwise decided) given at least five (5) **Business Days** before the date of the meeting;
- (b) accompanied by an agenda of the matters for consideration at the meeting and any supporting papers available to the **Panel Secretary** at the time the notice is given (and the **Panel Secretary** shall circulate to **Panel Members** any late papers as and when they are received by him).
- 8.8.5 The **Panel Secretary** shall send a copy of the notice convening a meeting of the **CUSC Modifications Panel**, and the agenda and papers accompanying the notice, to each **CUSC Party** and each **BSC Party** at the same time at which notice is given to the **Panel Members**, and publication on the **Website** and despatch by electronic mail (if the relevant details are supplied to the **Panel Secretary**) shall fulfil this obligation.
- 8.8.6 Any **Panel Member** (or, at the **Panel Member's** request, the **Panel Secretary**) may notify matters for consideration at a meeting of the **CUSC Modifications Panel** in addition to those notified by the **Panel Secretary** under Paragraph 8.8.4 by notice to all **Panel Members** and persons entitled to receive notice under Paragraph 8.8.5, not less than three (3) **Business Days** before the date of the meeting.
- 8.8.7 The proceedings of a meeting of the **CUSC Modifications Panel** shall not be invalidated by the accidental omission to give or send notice of the meeting or a copy thereof or any of the accompanying agenda or papers to, or failure to receive the same by, any person entitled to receive such notice, copy, agenda or paper.
- 8.8.8 A meeting of the **CUSC Modifications Panel** may consist of a conference between **Panel Members** who are not all in one place (although at least one must be at the venue in the notice of meeting) but who are able (by telephone or otherwise) to speak to each of the others and to be heard by each of the others simultaneously.
- 8.8.9 With the consent of all **Panel Members** (whether obtained before, at or after any such meeting) the requirements of this Paragraph 8.8 as to the manner in and notice on which a meeting of the **CUSC Modifications Panel** is convened may be waived or modified provided that no meeting of the **CUSC Modifications Panel** shall be held unless notice of the meeting and its agenda has been sent to the persons entitled to receive the same under Paragraph 8.8.5 at least 24 hours before the time of the meeting.
- 8.8.10 Subject to Paragraph 8.8.11, no matter shall be resolved at a meeting of the **CUSC Modifications Panel** unless such matter was contained in the agenda accompanying the **Panel Secretary's** notice under Paragraph 8.8.4 or was notified in accordance with Paragraph 8.8.6.

8.8.11 Where:

- (a) any matter (not contained in the agenda and not notified pursuant to ~~Paragraph~~ Paragraphs 8.8.4 and 8.8.6) is put before a meeting of the **CUSC Modifications Panel**, and
- (b) in the opinion of the **CUSC Modifications Panel** it is necessary (in view of the urgency of the matter) that the **CUSC Modifications Panel** resolve upon such matter at the meeting,

the **CUSC Modifications Panel** may so resolve upon such matter, and the **CUSC Modifications Panel** shall also determine at such meeting whether the decision of the **CUSC Modifications Panel** in relation to such matter should stand until the following meeting of the **CUSC Modifications Panel**, in which case (at such following meeting) the decision shall be reviewed and confirmed or (but not with effect earlier than that meeting, and only so far as the consequences of such revocation do not make implementation of the **CUSC** or compliance by **CUSC Parties** with it impracticable) revoked.

8.9 PROCEEDINGS AT MEETINGS

- 8.9.1 Subject as provided in the **CUSC**, the **CUSC Modifications Panel** may regulate the conduct of and adjourn and reconvene its meetings as it sees fit.
- 8.9.2 Meetings of the **CUSC Modifications Panel** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party** or the **National Consumer Council** and any person invited by the **Panel Chairman** and/or any other **Panel Member**.
- 8.9.3 The **Panel Chairman** and any other **Panel Member** may invite any person invited by them under Paragraph 8.9.2, and/or any attending representative of a **CUSC Party**, to speak at the meeting (but such person shall have no vote).
- 8.9.4 As soon as practicable after each meeting of the **CUSC Modifications Panel**, the **Panel Secretary** shall prepare and send (by electronic mail or otherwise) to **Panel Members** the minutes of such meeting, which shall be (subject to Paragraph 8.9.5) approved (or amended and approved) at the next meeting of the **CUSC Modifications Panel** after they were so sent, and when approved (excluding any matter which the **CUSC Modifications Panel** decided was not appropriate for such publication) shall be placed on the **Website**.
- 8.9.5 If, following the circulation of minutes (as referred to in Paragraph ~~8.8.4~~8.9.4), the meeting of the **CUSC Modifications Panel** at which they were to be approved is cancelled pursuant to Paragraph 8.8.2, such minutes (including any proposed changes thereto which have already been received) shall be re-circulated with the notification of the cancellation of the meeting of the **CUSC Modifications Panel**. **Panel Members** shall confirm their approval of such minutes to the **Panel Secretary** (by electronic mail) no later than ~~5~~five (5) **Business Days** following such minutes being re-circulated. If no suggested amendments are received within such ~~5~~five (5) **Business Days** period, the minutes will be deemed to have been approved. If the minutes are approved, or deemed to have been approved, (excluding any matter which the **CUSC Modifications Panel** decided was not appropriate for such publication) they shall be placed on the **Website**. If suggested amendments are received within such ~~5~~five (5) **Business Days** period, the minutes shall remain unapproved and the process for approval (or amendment and approval) of

such minutes at the next meeting of the **CUSC Modifications Panel**, as described in Paragraph 8.8.4, shall be followed.

8.10 QUORUM

- 8.10.1 No business shall be transacted at any meeting of the **CUSC Modifications Panel** unless a quorum is present throughout the meeting.
- 8.10.2 Subject to Paragraph ~~8.10.3~~8.10.4, a quorum shall be 6 **Panel Members** who have a vote present (subject to 8.8.8) in person or by their alternates, of whom at least one shall be appointed by **The Company**.
- 8.10.3 If within half an hour after the time for which the meeting of the **CUSC Modifications Panel** has been convened a quorum is not present (and provided the **Panel Secretary** has not been notified by **Panel Members** that they have been delayed and are expected to arrive within a reasonable time):
- (a) the meeting shall be adjourned to the same day in the following week (or, if that day is not a **Business Day** the next **Business Day** following such day) at the same time;
 - (b) the **Panel Secretary** shall give notice of the adjourned meeting as far as practicable in accordance with Paragraph 8.8.
- 8.10.4 If at the adjourned meeting there is not a quorum present within half an hour after the time for which the meeting was convened, those present shall be a quorum.

8.11 VOTING

- 8.11.1 At any meeting of the **CUSC Modifications Panel** any matter to be decided which shall include the **CUSC Modifications Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the **Panel Chairman** or any **Panel Member**.
- 8.11.2 Subject to Paragraphs 8.7.5, 8.11.4 and 8.11.5, in deciding any matter at any meeting of the **CUSC Modifications Panel** each **Panel Member** other than the **Panel Chairman** shall cast one vote.
- 8.11.3 Except as otherwise expressly provided in the **CUSC**, and in particular Paragraph 8.6.2, any matter to be decided at any meeting of the **CUSC Modifications Panel** shall be decided by simple majority of the votes cast at the meeting (an abstention shall not be counted as a cast vote).
- 8.11.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter (except in a **CUSC Modifications Panel Recommendation Vote**) where votes are otherwise cast equally in favour of and against the relevant motion including, for the avoidance of doubt, in the **CUSC Modifications Panel Self-Governance Vote**, where the **Panel Chairman** is obliged to exercise his casting vote if votes are otherwise cast equally in favour of or against a **CUSC Modification Proposal**, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.
- 8.11.5 The two **Panel Members** appointed by **The Company** pursuant to Paragraph 8.3.1(b)(iii) shall together have one vote in relation to each matter which shall be cast jointly by agreement between them or, where only one of **The**

Company Panel Members is present at a meeting, by that **The Company Panel Member**.

- 8.11.6 Any resolution in writing signed by or on behalf of all **Panel Members** shall be valid and effectual as if it had been passed at a duly convened and quorate meeting of the **CUSC Modifications Panel**. Such a resolution may consist of several instruments in like form signed by or on behalf of one or more **Panel Members**.

8.12 PROTECTIONS FOR PANEL MEMBERS

- 8.12.1 Subject to Paragraph 8.12.2 all **CUSC Parties** shall jointly and severally indemnify and keep indemnified each **Panel Member**, the **Panel Secretary** and each member of a **Workgroup** and **Standing Group** ("**Indemnified Persons**") in respect of all costs (including legal costs), expenses, damages and other liabilities properly incurred or suffered by such **Indemnified Persons** when acting in or in connection with his office under the **CUSC**, or in what he in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the **CUSC**, and all claims, demands and proceedings in connection therewith other than any such costs, expenses, damages or other liabilities incurred or suffered as a result of the wilful default or bad faith of such **Indemnified Person**.
- 8.12.2 The indemnity provided in Paragraph 8.12.1 shall not extend to costs and expenses incurred in the ordinary conduct of being a **Panel Member** or **Panel Secretary**, or member of a **Workgroup** or **Standing Group** including, without limitation, accommodation costs and travel costs or any remuneration for their services to the **CUSC Modifications Panel** or **Workgroup** or **Standing Group**.
- 8.12.3 The **CUSC Parties** agree that no **Indemnified Person** shall be liable for anything done when acting properly in or in connection with his office under the **CUSC**, or anything done in what he in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the **CUSC**. Each **CUSC Party** hereby irrevocably and unconditionally waives any such liability of any **Indemnified Person** and any rights, remedies and claims against any **Indemnified Person** in respect thereof.
- 8.12.4 Without prejudice to Paragraph 8.12.2, nothing in Paragraph 8.12.3 shall exclude or limit the liability of an **Indemnified Person** for death or personal injury resulting from the negligence of such **Indemnified Person**.

PART C

8.13 CUSC MODIFICATION REGISTER

- 8.13.1 The **Code Administrator** shall establish and maintain a register ("**CUSC Modification Register**") which shall record the matters set out in Paragraph 8.13.3.
- 8.13.2 The purpose of the **CUSC Modification Register** shall be to assist the **CUSC Modifications Panel** and to enable the **CUSC Modifications Panel**, **CUSC Parties** and any other persons who may be interested to be reasonably informed of the progress of **CUSC Modification Proposals** and **Approved CUSC Modifications** from time to time.

- 8.13.3 The **CUSC Modification Register** shall record in respect of current outstanding **CUSC Modifications Panel** business:
- (a) details of each **CUSC Modification Proposal** (including the name of the **Proposer**, the date of the **CUSC Modification Proposal** and a brief description of the **CUSC Modification Proposal**);
 - (b) whether such **CUSC Modification Proposal** is an **Urgent CUSC Modification Proposal**;
 - (c) the current status and progress of each **CUSC Modification Proposal**, if appropriate the anticipated date for reporting to the **Authority** in respect thereof, and whether it has been withdrawn, rejected or implemented for a period of three (3) months after such withdrawal, rejection or implementation or such longer period as the **Authority** may determine;
 - (d) the current status and progress of each **Approved CUSC Modification**; and
 - (e) such other matters as the **CUSC Modifications Panel** may consider appropriate from time to time to achieve the purpose of Paragraph 8.13.2.
- 8.13.4 The **CUSC Modification Register** (as updated from time to time and indicating the revisions since the previous issue) shall be published on the **Website** or (in the absence, for whatever reason, of the **Website**) in such other manner and with such frequency (being not less than once per month) as the **Code Administrator** may decide in order to bring it to the attention of the **CUSC Modifications Panel**, **CUSC Parties** and other persons who may be interested.

8.14 PROGRESS REPORT

- 8.14.1 The **Code Administrator** shall prepare and submit to the **Authority** each month (or such less often period if there is no material matter arising to report) a progress report ("**Progress Report**") setting out the matters referred to in Paragraph 8.14.2 in respect of the preceding month and send a copy of the **Progress Report** to each **Panel Member**.
- 8.14.2 The **Progress Report** shall contain:
- (a) details of any proposal which has been refused pursuant to Paragraph ~~8.16.3~~ 8.16.5 or Paragraph ~~8.16.4~~ 8.16.6;
 - (b) the current version of the **CUSC Modification Register**;
 - (c) details of:
 - (i) the priority proposed to be accorded or that is accorded to each **CUSC Modification Proposal** in the **CUSC Modification Register** (in accordance with Paragraph 8.19.1);
 - (ii) the scheduling and timetable for consideration of each **CUSC Modification Proposal** and completion of the **CUSC Modification Report** in respect thereof in the context of all other current **CUSC Modification Proposals**;

- (iii) the impact of the priority accorded to each **CUSC Modification Proposal** by reference to each other pending **CUSC Modification Proposal**;
- (d) details of any decision to amalgamate **CUSC Modification Proposals** in accordance with Paragraph ~~8.20.28.19.2~~;
- (e) details of any circumstances which lead **The Company** and/or the **CUSC Modifications Panel** to believe that the implementation date for an **Approved CUSC Modification** is unlikely to be met and, if so, why;
- (f) such other matters as the **Authority** may request to be included from time to time; and
- (g) the basis for each of the decisions referred to above.

8.14.3 If, following discussion with the **CUSC Modifications Panel**, the **Authority** issues a notice to the **Panel Secretary** requesting the **Code Administrator** and the **CUSC Modifications Panel** (in relation to developments and changes highlighted in the monthly **Progress Report**):

- (a) not to reject a **CUSC Modification Proposal** which does not satisfy Paragraph ~~8.16.28.16.4~~; and/or
- (b) not to amalgamate **CUSC Modification Proposals** as set out in the monthly **Progress Report**; and/or
- (c) to accord a different priority to particular **CUSC Modification Proposals** from that set out in the monthly **Progress Report**; and/or
- (d) to amend the timetable for a **CUSC Modification Proposal**,

the **Panel Secretary** shall send a copy of the notice to each **Panel Member** and **Alternate Member**. The **CUSC Modifications Panel** and the **Code Administrator** shall comply with such notice.

8.14.4 The **Panel Secretary** shall publish each **Progress Report** on the **Website** within ~~7~~seven (7) **Business Days** after it is sent to the **Authority**, provided that the **Panel Secretary** shall exclude therefrom any matters in respect of which the **Authority** issues a notice to the **Panel Secretary** for the purpose of this Paragraph 8.14.4. Copies shall be sent to those **Panel Members**, **Alternate Members** and **CUSC Parties** who have provided electronic mail addresses to the **Code Administrator**.

8.15 CHANGE CO-ORDINATION

8.15.1 The **Code Administrator** shall establish (and, where appropriate, revise from time to time) joint working arrangements for change co-ordination with each **Core Industry Document Owner** and with the **STC** committee to facilitate the identification, co-ordination, making and implementation of change to **Core Industry Documents** and the **STC** consequent on a **CUSC Modification**, including, but not limited to, changes that are appropriate in order to avoid conflict or inconsistency as between the **CUSC** and any **Core Industry Document** and the **STC**, in a full and timely manner.

8.15.2 The working arrangements referred to in Paragraph 8.15.1 shall be such as to enable the consideration, development and evaluation of **CUSC Modification**

Proposals, and the implementation of **Approved CUSC Modifications**, to proceed in a full and timely manner and enable changes to **Core Industry Documents** and the **STC** consequent on an amendment to be made and given effect wherever possible (subject to any necessary consent of the **Authority**) at the same time as such **CUSC Modification** is made and given effect.

8.16 CUSC MODIFICATION PROPOSALS

8.16.1

(a) A proposal to modify ~~the CUSC (excluding the Charging Methodologies)~~ may be made:

~~(a) the CUSC may be made:~~

(i) by a **CUSC Party**, by the **National Consumer Council** or by a **BSC Party**; or

(ii) under Paragraph 8.28.5, by the **CUSC Modifications Panel** ~~;~~ or

(iii) by a **Relevant Transmission Licensee** in relation to Exhibit O Part IB ~~and~~ Exhibit O Part IIB, Exhibit O Part IC and Exhibit O Part IIC only.

(b) A proposal to modify the **Charging Methodologies** may be made:

(i) by a **CUSC Party**, by the **National Consumer Council** or by a **BSC Party**; or

(ii) under Paragraph 8.28.5, by the **CUSC Modifications Panel** ~~;~~ or

(iii) by a **Relevant Transmission Licensee** in relation to Exhibit O Part IB ~~and~~ Exhibit O Part IIB, Exhibit O Part IC and Exhibit O Part IIC only; or

(iv) ~~(iii)~~ by a **Materially Affected Party**, unless otherwise permitted by the **Authority**.

~~1.15.2 A Standard CUSC Modification Proposal shall follow the procedure set out in Paragraphs 8.18 to 8.23.~~

8.16.2 ~~1.15.3~~ A proposal to modify the **Charging Methodologies** must be made by means of a **CUSC Modification Proposal**, which may not contain any proposal to modify any other section of the **CUSC**, and must comply (as applicable) with paragraph 5 of standard condition C4 (Charges for use of system) and paragraph 4 and 10(b) of standard condition C6 (Connection charging methodology) of the Transmission Licence. When making a **CUSC Modification Proposal** in respect of the **Charging Methodologies**, the **Proposer** may make specific reference to any link with another **CUSC Modification Proposal**.

8.16.3 A Standard CUSC Modification Proposal shall follow the procedure set out in Paragraphs 8.18 to 8.23.

- 8.16.4 A **CUSC Modification Proposal** shall Proposal shall be submitted in writing to the Panel Secretary and shall contain the following information in relation to such proposal:
- (a) the name of the **Proposer**;
 - (b) the name of the representative of the **Proposer** (and his alternate) who shall represent the **Proposer** in person for the purposes of this Paragraph 8.16;
 - (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
 - (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
 - (e) where possible, an indication of those parts of the **CUSC** which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
 - (f) the reasons why the **Proposer** believes that the proposed modification would better facilitate achievement of the **Applicable CUSC Objectives** as compared with the current version of the **CUSC** together with background information in support thereof;
 - (g) the reasoned opinion of the **Proposer** as to why the proposed modification should not fall within a current **Significant Code Review**, whether the proposed modification meets the **Self-Governance Criteria** or whether the proposed modification should proceed along the **Standard CUSC Modification Proposal** route;
 - (h) the reasoned opinion of the Proposer as to whether that impact is likely to be material and if so an assessment of the quantifiable impact of the proposed modification ~~would have a material and quantifiable impact~~ on greenhouse gas emissions, ~~assessed to be conducted~~ in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the **Authority** from time to time;
 - (i) where possible, an indication of the impact of the proposed modification on **Core Industry Documents** and the **STC**;
 - (j) where possible, an indication of the impact of the proposed modification on relevant computer systems and processes used by **CUSC Parties**; and
 - (k) a statement to the effect that the **Proposer** acknowledges that on acceptance of the proposal for consideration by the **CUSC Modifications Panel** a **Proposer** which is not a **CUSC Party** shall grant a licence in accordance with Paragraph ~~8.15.7~~8.16.9.
- 8.16.5 if a proposal fails in any material respect to provide the information in Paragraph 8.16.4 (excluding Paragraphs (e), (i) and (j) thereof), the **Panel Secretary** may, subject to Paragraph 8.14.3(a), reject such proposal provided that:

- (a) the **Panel Secretary** shall furnish the **Proposer** with the reasons for such rejection;
- (b) the **Panel Secretary** shall report such rejection to the **CUSC Modifications Panel** at the next **CUSC Modifications Panel** meeting, with details of the reasons;
- (c) if the **CUSC Modifications Panel** decides to reverse the **Panel Secretary's** decision to refuse the submission, the **Panel Secretary** shall notify the **Proposer** accordingly and the proposal shall be dealt with in accordance with this Section 8;
- (d) nothing in this Section 8 shall prevent a **Proposer** from submitting a revised proposal in compliance with the requirements of Paragraph ~~8.16.3~~ 8.16.4 in respect of the same subject-matter.

8.16.6 Without prejudice to the development of a **Workgroup Alternative CUSC Modification** ~~(s)~~ pursuant to ~~Paragraph 8.23.2~~ Paragraphs 8.20.10 and 8.20.15, the **CUSC Modifications Panel** shall direct in the case of (a), and may direct in the case of (b), the **Panel Secretary** to reject a proposal pursuant to Paragraph 8.16, other than a proposal submitted by **The Company** pursuant to a direction issued by the **Authority** following a **Significant Code Review** in accordance with Paragraph ~~8.17.5~~ 8.17.6, if and to the extent that such proposal has, in the opinion of the **CUSC Modifications Panel**, substantially the same effect as:

- (a) a **Pending CUSC Modification Proposal**; or
- (b) a **Rejected CUSC Modification Proposal**, where such proposal is made at any time within two (2) months after the decision of the **Authority** not to direct **The Company** to modify the **CUSC** pursuant to the **Transmission Licence** in the manner set out in such **CUSC Modification Proposal**,

and the **Panel Secretary** shall notify the **Proposer** accordingly.

8.16.7 Promptly upon receipt of a **CUSC Modification Proposal**, the **Panel Secretary** shall:

- (a) allocate a unique reference number to the **CUSC Modification Proposal**;
- (b) enter details of the **CUSC Modification Proposal** on the **CUSC Modification Register**.

8.16.8 Subject to Paragraph 8.8.6, where the **CUSC Modification Proposal** is received more than five (5) **Business Days** prior to the next **CUSC Modifications Panel** meeting, the **Panel Secretary** shall place the **CUSC Modification Proposal** on the agenda of the next **CUSC Modifications Panel** meeting and otherwise shall place it on the agenda of the next succeeding **CUSC Modifications Panel** meeting.

8.16.9 It shall be a condition to the right to make a proposal to modify the **CUSC** under this Paragraph 8.16 that the **Proposer**:

- (a) grants a non-exclusive royalty free licence to all **CUSC Parties** who request the same covering all present and future rights, **IPRs** and

moral rights it may have in such proposal (as regards use or application in Great Britain); and

- (b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the **Proposer** that such person has any **IPRs** or normal rights or rights of confidence in such proposal,

and, in making a proposal, a **Proposer** which is a **CUSC Party** shall be deemed to have granted the licence and given the warranty in (a) and (b) above.

The provisions of this Paragraph 8.16.9 shall also apply to any **WG Consultation Alternative Request**, and for these purposes the term **Proposer** shall include any person making such a **WG Consultation Alternative Request**.

8.16.10 Subject to Paragraph ~~8.17.6~~8.17.7, which deals with the withdrawal of a **CUSC Modification Proposal** made pursuant to a direction following a **Significant Code Review**, a **Proposer** may withdraw his support for a **Standard CUSC Modification Proposal** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Recommendation Vote** undertaken in relation to that **Standard CUSC Modification Proposal** pursuant to Paragraph 8.23.4, and a **Proposer** may withdraw his support for a **CUSC Modification Proposal** that meets the **Self-Governance Criteria** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Self-Governance Vote** undertaken in relation to that **CUSC Modification Proposal** pursuant to Paragraph 8.25.9, in which case the **Panel Secretary** shall forthwith:

- (a) notify those parties specified in Paragraph 8.16.1 as relevant in relation to the **CUSC Modification Proposal** in question (a “**Relevant Party**”) that he has been notified of the withdrawal of support by the **Proposer** by publication on the **Website** and (where relevant details are supplied) by electronic mail. A **Relevant Party** may within five (5) **Business Days** notify the **Panel Secretary** that it is prepared to support the **CUSC Modification Proposal** in place of the original **Proposer**. If such notice is received, the name of such **Relevant Party** shall replace that of the original **Proposer** as the **Proposer**, and the **CUSC Modification Proposal** shall continue. If more than one notice is received, the first received shall be utilised;
- (b) if no notice of support is received under (a), the matter shall be discussed at the next **CUSC Modifications Panel** meeting. If the **CUSC Modifications Panel** so agrees, it may notify **Relevant Parties** that the **CUSC Modification Proposal** is to be withdrawn, and a further period of five (5) **Business Days** shall be given for support to be indicated by way of notice;
- (c) if no notice of support is received under (a) or (b), the **CUSC Modification Proposal** shall be marked as withdrawn on the **CUSC Modification Register**;

Code Administrator as Critical Friend

8.16.11 The **Code Administrator** shall provide assistance insofar as is reasonably practicable and on reasonable request to parties with an interest in the **CUSC Modification Process** (including, in particular, **Small Participants** and

consumer representatives, and, for the purposes of preparing modifications to the Charging Methodologies only, Materially Affected Parties) that request it in relation to the CUSC, as provided for in the **Code Administration Code of Practice**, including, but not limited to, assistance with:

- (a) Drafting a **CUSC Modification Proposal** including, in relation to **Materially Affected Parties**, drafting a **CUSC Modification Proposal** in respect of the **Charging Methodologies**;
- (b) Understanding the operation of the **CUSC**;
- (c) Their involvement in, and representation during, the **CUSC Modification Process** (including but not limited to **CUSC Modifications Panel**, and/or **Workgroup** meetings) as required or as described in the **Code Administration Code of Practice**; and
- (d) Accessing information relating to the **Charging Statements** (subject to any charge made by The Company to cover its reasonable costs of providing the Charging Statements in accordance with Paragraph 8.16.12), and any amendment, revision or notice of proposed amendment to the **Charging Statements**, **CUSC Modification Proposals** and/or **CUSC Modifications Proposals** that have been implemented, ~~subject to any charge made by The Company to cover its reasonable costs of providing such information.~~³

8.16.12 The Company may provide information in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology) of the Transmission Licence; and insofar as reasonably practicable, the provision by The Company of such other information or assistance as a Materially Affected Party may reasonably request for the purposes of preparing a proposal to modify the Charging methodologies.

8.17 SIGNIFICANT CODE REVIEW

Significant Code Review Phase

- 8.17.1 If any party specified under Paragraph 8.16.1 makes a **CUSC Modification Proposal** during a **Significant Code Review Phase**, unless exempted by the **Authority** or unless Paragraph 8.17.4(b) applies, the **CUSC Modifications Panel** shall assess whether the ~~suitability of that~~ **CUSC Modification Proposal** ~~for inclusion falls~~ within the scope of a Significant Code Review and the applicability of the exceptions set out in Paragraph 8.17.4 and shall notify the **Authority** of its assessment, its reasons for that assessment and any representations received in relation to it as soon as practicable.
- 8.17.2 The **CUSC Modifications Panel** shall proceed with the **CUSC Modification Proposal** ~~submitted~~ made during a **Significant Code Review Phase** in accordance with Paragraph 8.18 (notwithstanding any consultation undertaken pursuant to Paragraph ~~8.17.4~~ 8.17.5 and its outcome), unless directed otherwise by the **Authority** pursuant to Paragraph 8.17.3.
- 8.17.3 ~~If Subject to Paragraph 8.17.4,~~ the **Authority** may at any time direct ~~s~~ that ~~the~~ a **CUSC Modification Proposal** ~~submitted~~ made during a **Significant Code**

³~~Condition 10, paragraph 6(ad)~~

~~Review Phase is suitable for inclusion falls~~ within the scope of a Significant Code Review ~~and must not be made during the Significant Code Review Phase.~~ If so directed, the **CUSC Modifications Panel** will not proceed with that **CUSC Modification Proposal**, and the **Proposer** shall decide whether the **CUSC Modification Proposal** shall be withdrawn or suspended until the end of the **Significant Code Review Phase**. If the **Proposer** fails to indicate its decision whether to withdraw or suspend the **CUSC Modification Proposal** within twenty-eight (28) days of the **Authority's** direction, it shall be deemed to be suspended. If the **CUSC Modification Proposal** is suspended, it shall be open to the **Proposer** at the end of the **Significant Code Review Phase** to indicate to the **CUSC Modifications Panel** that it wishes that **CUSC Modification Proposal** to proceed, and it shall be considered and taken forward in the manner decided upon by the **CUSC Modifications Panel** at the next meeting, and it is open to the **CUSC Modifications Panel** to take into account any work previously undertaken in respect of that **CUSC Modification Proposal**. If the **Proposer** makes no indication to the **CUSC Modifications Panel** within twenty-eight (28) days of the end of the **Significant Code Review Phase** as to whether or not it wishes the **CUSC Modification Proposal** to proceed, it shall be deemed to be withdrawn.

8.17.4 A CUSC Modification Proposal that falls within the scope of a Significant Code Review may be made where:

- (a) the Authority so determines, having taken into account (among other things) the urgency of the subject matter of the CUSC Modification Proposal; or
- (b) the CUSC Modification Proposal is made by The Company pursuant to Paragraph 8.17.6.

8.17.5 ~~1.16.4~~Where a direction under Paragraph 8.17.3 has not been issued, paragraph 8.17.4 does not apply and the **CUSC Modifications Panel** considers that a **CUSC Modification Proposal** ~~submitted~~ made during a **Significant Code Review** ~~phase~~ Phase ~~may be suitable for inclusion falls~~ within the scope of a Significant Code Review, the **CUSC Modifications Panel** may consult on its suitability as part of the **Standard CUSC Modification Proposal** route set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

End of Significant Code Review Phase

8.17.6 ~~1.16.5~~~~if within~~ Within twenty-eight (28) days after the **Authority** has published its **Significant Code Review** conclusions, the **Authority** ~~issues~~ may issue to **The Company** directions, including directions to **The Company** to make **CUSC Modification Proposals**, ~~then~~ The Company⁴ shall comply with those directions and the **Significant Code Review Phase** shall be deemed to have ended on the date on which **The Company** makes a **CUSC Modification Proposal** in accordance with the **Authority's** directions. ~~Such~~ Where The Company makes a CUSC Modification Proposal in accordance with the Authority's directions, that CUSC Modification Proposal shall be treated as a Standard CUSC Modification Proposal and shall proceed through the process for Standard CUSC Modification Proposals set out in Paragraphs 8.18, 8.19, 8.20, 8.22 and 8.23. Such Authority conclusions and directions shall not fetter the voting rights of the **Panel Members** or any

⁴Condition 10, paragraph 6.aa and 14

recommendation it makes in relation to any **CUSC Modification Proposal** or the recommendation procedures informing the **CUSC Modification Report**.⁵

8.17.7 ~~1.16.6~~ **The Company** may not, without the prior consent of the **Authority**, withdraw a **CUSC Modification Proposal** made pursuant to a direction issued by the **Authority** pursuant to Paragraph ~~8.17.5~~8.17.6.⁶

8.17.8 ~~1.16.7~~ If within twenty-eight (28) days after the **Authority** has published its **Significant Code Review** conclusions, the **Authority** issues to **The Company** a statement that no directions will be issued in relation to the **CUSC**, then the **Significant Code Review Phase** shall be deemed to have ended on the date of such statement.

8.17.9 ~~1.16.8~~ If up to and including twenty-eight (28) days from the **Authority's** publication of its **Significant Code Review** conclusions, the **Authority** has issued to **The Company** neither directions pursuant to Paragraph ~~8.17.5~~8.17.6, nor a statement pursuant to Paragraph ~~8.17.7~~8.17.8, then the **Significant Code Review Phase** will be deemed to have ended.

8.18 CUSC MODIFICATION PROPOSAL EVALUATION

8.18.1 This Paragraph 8.18 is subject to the **Urgent CUSC Modification Proposals** procedures set out in Paragraph 8.24 and the **Significant Code Review** procedures set out in Paragraph 8.17.

8.18.2 A **CUSC Modification Proposal** shall, subject to Paragraph 8.16.8, be discussed by the **CUSC Modifications Panel** at the next following **CUSC Modifications Panel** meeting convened.

8.18.3 The **Proposer's** representative shall attend such **CUSC Modifications Panel** meeting and the **CUSC Modifications Panel** may invite the **Proposer's** representative to present his **CUSC Modification Proposal** to the **CUSC Modifications Panel**.

8.18.4 The **CUSC Modifications Panel** shall evaluate each **CUSC Modification Proposal** against the **Self-Governance Criteria**.

8.18.5 ~~1.17.4~~ The **CUSC Modifications Panel** shall follow the procedure set out in Paragraph 8.25 in respect of any **CUSC Modification Proposal** ~~deemed by that~~ the **CUSC Modifications Panel** ~~to fall within~~ considers meets the **Self-Governance Criteria** unless the Authority makes a direction in accordance with Paragraph 8.25.2 and in such a case that CUSC Modification Proposal shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.⁷

8.18.6 ~~1.17.5~~ Unless the **Authority** ~~determines otherwise~~ makes a direction in accordance with Paragraph 8.25.4, a **CUSC Modification Proposal** ~~deemed by that~~ the **CUSC Modifications Panel** considers does not ~~to fall within~~ meet the **Self-Governance Criteria** shall be a **Standard CUSC Modification Proposal** and shall follow the procedure set out in Paragraphs 8.19 ~~to~~ 8.20, 8.22 and 8.23.

⁵ ~~Condition 10, paragraph 6C (to 8.21.20)~~

⁶ ~~Final Proposals Appendix 2, pg 52.~~

⁷ ~~Condition 10, paragraph 6.b.(iiA)~~

8.19 PANEL PROCEEDINGS

- 8.19.1 (a) The **Code Administrator** and the **CUSC Modifications Panel** shall together establish a timetable to apply for the **CUSC Modification Process**.
- (b) The **CUSC Modifications Panel** shall establish the part of the timetable for the consideration by the **CUSC Modifications Panel** and by a **Workgroup** (if any) which shall be no longer than four months unless in any case the particular circumstances of the **CUSC Modification Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority**, after receiving notice, does not object, taking into account all those issues-.
- (c) The **Code Administrator** shall establish the part of the timetable for the consultation to be undertaken by the **Code Administrator** under this Section 8 and separately the preparation of a **CUSC Modification Report** to the **Authority**. Where the particular circumstances of the **CUSC Modification Proposal** (taking due account of ~~it-its~~ complexity, importance and urgency) justify an extension of such timescales and provided the **Authority**, after receiving notice, does not object, taking into account all those issues, the **Code Administrator** may revise such part of the timetable.
- (d) In setting such a timetable, the **CUSC Modifications Panel** and the **Code Administrator** shall exercise their respective discretions such that, in respect of each **CUSC Modification Proposal**, a **CUSC Modification Report** may be submitted to the **Authority** as soon after the **CUSC Modification Proposal** is made as is consistent with the proper evaluation of such **CUSC Modification Proposal**, taking due account of its complexity, importance and urgency.
- (e) Having regard to the complexity, importance and urgency of particular **CUSC Modification Proposals**, the **CUSC Modifications Panel** may determine the priority of **CUSC Modification Proposals** and may (subject to any objection from the **Authority** taking into account all those issues) adjust the priority of the relevant **CUSC Modification Proposal** accordingly.
- 8.19.2 In relation to each **CUSC Modification Proposal**, the **CUSC Modifications Panel** shall determine at any meeting of the **CUSC Modifications Panel** whether to:
- (a) amalgamate the **CUSC Modification Proposal** with any other **CUSC Modification Proposal**;
- (b) establish a **Workgroup** of the **CUSC Modifications Panel**, to consider the **CUSC Modification Proposal**;
- (c) review the evaluation made pursuant to Paragraph 8.18.4, taking into account any new information received; or
- (d) proceed directly to wider consultation.
- 8.19.3 ~~The Subject to Paragraph 8.14.3, the~~ **CUSC Modifications Panel** may decide to amalgamate a **CUSC Modification Proposal** with one or more other **CUSC Modification Proposals** where the subject-matter of such **CUSC Modification Proposals**

Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such **CUSC Modification Proposals** are logically dependent on each other.

- 8.19.4 Where **CUSC Modification Proposals** are amalgamated pursuant to Paragraph 8.19.3:
- (a) such **CUSC Modification Proposals** shall be treated as a single **CUSC Modification Proposal**;
 - (b) references in this Section 8 to a **CUSC Modification Proposal** shall include and apply to a group of two or more **CUSC Modification Proposals** so amalgamated;
 - (c) the **Proposers** of each such **CUSC Modification Proposal** shall cooperate in deciding which of them is to provide a representative for any **Workgroup** in respect of the amalgamated **CUSC Modification Proposal** and, in default of agreement, the **Panel Chairman** shall nominate one of the **Proposers** for that purpose.
- 8.19.5 In respect of any **CUSC Modification Proposal** that the **CUSC Modifications Panel** determines to proceed directly to wider consultation in accordance with Paragraph 8.19.2, the **CUSC Modifications Panel**, may at any time prior to the **CUSC Modifications Panel Recommendation Vote** having taken place decide to establish a **Workgroup** of the **CUSC Modifications Panel** and the provisions of Paragraph 8.20 shall apply. In such case the **CUSC Modifications Panel** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1(b) and the **Code Administrator** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1(c), provided that the **Authority**, after receiving notice, does not object.

8.20 WORKGROUPS

- 8.20.1 If the **CUSC Modifications Panel** has decided not to proceed directly to wider consultation (or where the provisions of Paragraph 8.19.5 apply), a **Workgroup** will be established, or an existing **Standing Group** identified and actioned, by the **CUSC Modifications Panel** to assist the **CUSC Modifications Panel** in evaluating whether a **CUSC Modification Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether a **Workgroup Alternative CUSC Modification(s)** would, as compared with the **CUSC Modification Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **CUSC Modification Proposal**. Where a **Standing Group** is identified and actioned in relation to a **CUSC Modification Proposal**, a reference to **Workgroup** in this Section 8 shall, in relation to that **CUSC Modification Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity. Unless specifically appointed pursuant to this Paragraph or permitted pursuant to Paragraph 8.22, a **Standing Group** shall not comment upon any **CUSC Modification Proposal**.
- 8.20.2 A single **Workgroup** may be responsible for the evaluation of more than one **CUSC Modification Proposal** at the same time, but need not be so responsible.
- 8.20.3 A **Workgroup** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **CUSC Modifications Panel** from those nominated by **CUSC Parties**, **BSC Parties** or the **National Consumer Council** for their

relevant experience and/or expertise in the areas forming the subject-matter of the **CUSC Modification Proposal(s)** to be considered by such **Workgroup** (and the **CUSC Modifications Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Workgroup**) provided that there shall always be at least one member representing **The Company** and if, and only if, the **CUSC Modifications Panel** is of the view that a **CUSC Modification Proposal** is likely to have an impact on the **STC**, the **CUSC Modifications Panel** may invite the **STC** committee to appoint a representative to become a member of the **Workgroup**. A representative of the **Authority** may attend any meeting of a **Workgroup** as an observer and may speak at such meeting.

- 8.20.4 The **Code Administrator** shall in consultation with the **CUSC Modifications Panel** appoint the chairman of the **Workgroup** who shall act impartially and as an independent chairman.
- 8.20.5 The **CUSC Modifications Panel** may add further members or the **Workgroup** chairman may add or vary members to a **Workgroup**.
- 8.20.6 The **CUSC Modifications Panel** may (but shall not be obliged to) replace any member or observer of a **Workgroup** appointed pursuant to Paragraph 8.20.3 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Workgroup**.
- 8.20.7 The **CUSC Modifications Panel** shall determine the terms of reference of each **Workgroup** and may change those terms of reference from time to time as it sees fit.
- 8.20.8 The terms of reference of a **Workgroup** must include provision in respect of the following matters:
- (a) those areas of a **Workgroup's** powers or activities which require the prior approval of the **CUSC Modifications Panel**;
 - (b) the seeking of instructions, clarification or guidance from the **CUSC Modifications Panel**, including on the suspension of a **Workgroup Alternative CUSC Modification** ~~(s)~~ during a **Significant Code Review Phase**;
 - (c) the timetable for the work to be done by the **Workgroup**, in accordance with the timetable established pursuant to Paragraph 8.19.1 (save where Paragraph 8.19.5 applies); and
 - (d) the length of any **Workgroup Consultation**.

In addition, prior to the taking of any steps which would result in the undertaking of a significant amount of work (including the production of draft legal text to modify the **CUSC** in order to give effect to a **CUSC Modification Proposal** and/or **Workgroup Alternative CUSC Modification** ~~(s)~~, with the relevant terms of reference setting out what a significant amount of work would be in any given case), the **Workgroup** shall seek the views of the **CUSC Modifications Panel** as to whether to proceed with such steps and, in giving its views, the **CUSC Modifications Panel** may consult the **Authority** in respect thereof.

- 8.20.9 Subject to the provisions of this Paragraph 8.20.9 and unless otherwise determined by the **CUSC Modifications Panel**, the **Workgroup** shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the **Panel Secretary** in respect of each **CUSC Modification Proposal** for which it is responsible. Unless the **CUSC Modifications Panel** otherwise determines, meetings of each **Workgroup** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party** or the **National Consumer Council** and any person invited by the chairman, and the chairman of a **Workgroup** may invite any such person to speak at such meetings.
- 8.20.10 After development by the **Workgroup** of the **CUSC Modification Proposal**, and (if applicable) after development of any draft **Workgroup Alternative CUSC Modification(s)**, the **Workgroup** will (subject to the provisions of Paragraph 8.20.16) consult ("**Workgroup Consultation**") on the **CUSC Modification Proposal** and, if applicable, on any draft **Workgroup Alternative CUSC Modification(s)** with:
- (a) **CUSC Parties**; and
 - (b) such other persons who may properly be considered to have an appropriate interest in it.

Where following the establishment of a **Workgroup** in relation to a **CUSC Modification Proposal**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (b) above and therefore shall be able to respond to the **Workgroup Consultation**. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any **Workgroup Consultation**.

- 8.20.11 The **Workgroup Consultation** will be undertaken by issuing a **Workgroup Consultation** paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement). Such **Workgroup Consultation** paper will include:
- (a) Issues which arose in the **Workgroup** discussions
 - (b) Details of any draft **Workgroup Alternative CUSC Modification(s)**
 - (c) The date proposed by the **Code Administrator** as the **Proposed Implementation Date**.
- 8.20.12 **Workgroup Consultation** papers will be copied to **Core Industry Document Owners** and the secretary of the **STC** committee.
- 8.20.13 Any **CUSC Party**, **BSC Party** or the **National Consumer Council** may (subject to Paragraph 8.20.17) raise a ~~WG~~ **Workgroup Consultation Alternative Request** in response to the **Workgroup Consultation**. Such **Workgroup Consultation Alternative Request** must include:
- (a) ~~(a)~~ the information required by Paragraph 8.16.4 (which shall be read and construed so that any references therein to "amendment

proposal” or “proposal” shall be read as “request” and any reference to “**Proposer**” shall be read as “requester”); and

(b) ~~(b)~~ sufficient detail to enable consideration of the request including details as to how the request better facilitates the **Applicable CUSC Objectives** than the current version of the **CUSC**, than the **CUSC Modification Proposal** and than any draft **Workgroup Alternative(s)** **CUSC Modification(s)**.

8.20.14 The **Workgroup** shall consider and analyse any comments made or any ~~WG~~ **Workgroup Consultation CUSC Modification Alternative Alternative Request** made by any **CUSC Party** in response to the **Workgroup Consultation**.

8.20.15 If a majority of the members of the **Workgroup** or the chairman of the **Workgroup** believe that the ~~WG~~ **Workgroup Consultation CUSC Modification Alternative Alternative Request** will better facilitate the **Applicable CUSC Objectives** than the current version of the **CUSC**, the **Workgroup** shall develop it as a **Workgroup Alternative CUSC Modification (s)** or, where the chairman of the **Workgroup** agrees, amalgamate it with one or more other draft **Workgroup Alternative CUSC Modification(s)** or ~~WG~~ **Workgroup Consultation CUSC Modification Alternative Alternative Request(s)**;

8.20.16 Unless the **CUSC Modifications Panel** directs the **Workgroup** otherwise pursuant to Paragraph 8.20.17, and provided that a **Workgroup Consultation** has been undertaken in respect of the **CUSC Modification Proposal**, no further **Workgroup Consultation** will be required in respect of any **Workgroup Alternative CUSC Modification(s)** developed in respect of such **CUSC Modification Proposal**.

8.20.17 The **CUSC Modifications Panel** may, at the request of the chairman of the **Workgroup**, direct the **Workgroup** to undertake further **Workgroup Consultation(s)**. At the same time as such direction the **CUSC Modifications Panel** shall adjust the timetable referred to at Paragraph 8.19.1(b) and the **Code Administrator** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1 (c), provided that the **Authority**, after receiving notice, does not object. No ~~WG~~ **Workgroup Consultation CUSC Modification Alternative Request** may be raised by any **CUSC Party** during any second or subsequent **Workgroup Consultation**.

8.20.18 The **Workgroup** shall finalise the **Workgroup Alternative CUSC Modification(s)** for inclusion in the report to the **CUSC Modifications Panel**.

8.20.19

(a) Each **Workgroup** chairman shall prepare a report to the **CUSC Modifications Panel** responding to the matters detailed in the terms of reference in accordance with the timetable set out in the terms of reference.

(b) If a **Workgroup** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Workgroup**.

(c) The report will be circulated in draft form to **Workgroup** members and a period of not less than five (5) **Business Days** or if all **Workgroup** members agree three (3) **Business Days** given for

comments thereon. Any unresolved comments made shall be reflected in the final report.

- 8.20.20 The chairman or another member (nominated by the chairman) of the **Workgroup** shall attend the next **CUSC Modifications Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Workgroup** may also attend such **CUSC Modifications Panel** meeting.
- 8.20.21 At the meeting referred to in Paragraph 8.20.20 the **CUSC Modifications Panel** shall consider the **Workgroup's** report and shall determine whether to:-
- (a) refer the **CUSC Modifications Proposal** back to the **Workgroup** for further analysis (in which case the **CUSC Modifications Panel** shall determine the timetable and terms of reference to apply in relation to such further analysis); or
 - (b) proceed then to wider consultation as set out in Paragraph 8.22.
- 8.20.22 Subject to paragraph 8.17.4 ~~if~~, at any time during the assessment process carried out by the **Workgroup** pursuant to this Paragraph 8.20, the **Workgroup** considers that a **CUSC Modification Proposal** or any **Workgroup Alternative CUSC Modification** ~~should be included (s) falls~~ within the scope of a **Significant Code Review**, it shall consult on this as part of the **Workgroup Consultation** and include its reasoned assessment in the report to the **CUSC Modifications Panel** prepared pursuant to Paragraph 8.20.19. If the **CUSC Modifications Panel** considers that the **CUSC Modification Proposal** or the **Workgroup Alternative CUSC Modification** ~~should be included (s) falls~~ within the scope of a **Significant Code Review**, it ~~may shall~~ consult with the **Authority**. If the **Authority** directs that the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification** ~~be included (s) falls~~ within the scope of the **Significant Code Review**, the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification** ~~(s)~~ shall be suspended or withdrawn during the **Significant Code Review Phase**, ~~unless withdrawn~~ in accordance with Paragraph 8.17.3.

8.21 STANDING GROUPS

- 8.21.1 The **CUSC Modifications Panel** may set up one or more standing groups (each a "**Standing Group**") to consider and report to the **CUSC Modifications Panel** on issues specified by the **CUSC Modifications Panel** relating to the connection and use of system arrangements in **Great Britain**, including the **Charging Methodologies**. The **CUSC Modifications Panel** may change issues specified from time to time as it sees fit. In setting up a **Standing Group**, the **CUSC Modifications Panel** shall determine the terms of reference of the **Standing Group** (and may change those terms of reference from time to time as it sees fit) and specify a time period within which the **Standing Group** is to report to it on the issue it is to consider and may establish other timetable requirements in relation to the intended scope of the **Standings Group's** considerations. At the end of the time period by which the **Standing Group** is to report, the **CUSC Modifications Panel** shall decide whether the **Standing Group** is to continue and, if it is to continue, shall specify a time period in which it is to further report.
- 8.21.2 A **Standing Group** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **CUSC Modifications Panel** from those nominated

by **CUSC Parties** for their relevant experience and/or expertise in the aspect or issue to be considered by such **Standing Group** (and the **CUSC Modifications Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Standing Group**) provided that there shall always be at least one member representing **The Company** and if, and only if, the **CUSC Modifications Panel** is of the view that a **CUSC Modification Proposal** is likely to have an impact on the **STC**, the **CUSC Modifications Panel** may invite the **STC** committee to appoint a representative to become a member of the **Standing Group**. A representative of the **Authority** may attend any meeting of a **Standing Group** as an observer and may speak at such meeting.

- 8.21.3 The **Code Administrator** shall in consultation with the **CUSC Modifications Panel** appoint the chairman of each **Standing Group** who shall act impartially and as an independent chairman.
- 8.21.4 The **CUSC Modifications Panel** may add further members or the **Standing Group** chairman may add or vary members to a **Standing Group** after it is established.
- 8.21.5 The **CUSC Modifications Panel** may (but shall not be obliged to) replace any member of a **Standing Group** appointed pursuant to Paragraph 8.21.2 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Standing Group**.
- 8.21.6
- (a) Each **Standing Group** chairman shall prepare a report to the **CUSC Modifications Panel** responding to the matter detailed in the terms of reference in accordance with the time period set by the **CUSC Modifications Panel**.
 - (b) If a **Standing Group** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Standing Group**.
 - (c) The report will be circulated in draft form to **Standing Group** members and a period of not less than five (5) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.
 - (d) The chairman or another member (nominated by the chairman) of the **Standing Group** shall attend the next **CUSC Modifications Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Standing Group** may also attend such **CUSC Modifications Panel** meeting.
- 8.21.7 Subject to the provisions of this Paragraph 8.21 and unless otherwise determined by the **CUSC Modifications Panel**, the **Standing Group** shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the **Panel Secretary**. Unless the **CUSC Modifications Panel** otherwise determines, meetings of each **Standing Group** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party** or the **National Consumer Council** and any

person invited by the chairman or any other member of that **Standing Group**, and the chairman or any other member of that **Standing Group** may invite any person to speak at such meetings.

8.22 THE CODE ADMINISTRATOR CONSULTATION

- 8.22.1 In respect of any **CUSC Modification Proposal** where a **Workgroup** has been established or a **Standing Group** identified and actioned Paragraph 8.22.2 to 8.22.6 shall apply.
- 8.22.2 After consideration of any **Workgroup** report on the **CUSC Modification Proposal** and if applicable any **Workgroup Alternative CUSC Modification (s)** by the **CUSC Modifications Panel** and a determination by the **CUSC Modifications Panel** to proceed to wider consultation, the **Code Administrator** shall bring to the attention of and consult on the **CUSC Modification Proposal** and if applicable any **Workgroup Alternative CUSC Modification (s)** with:
- (i) **CUSC Parties**; and
 - (ii) such other persons who may properly be considered to have an appropriate interest in it, including **Small Participants** and the **National Consumer Council**.

Where following the establishment of a **Workgroup**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to the **Code Administrator's** consultation. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.

- 8.22.3 The consultation will be undertaken by issuing a Consultation Paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement).
- 8.22.4 The Consultation Paper will contain:-
- (a) the proposed drafting for the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification (s)** (unless the **Authority** decides none is needed in the **CUSC Modification Report** under Paragraph 8.22.5) and will indicate the issues which arose in the **Workgroup** discussions, where there has been a **Workgroup** and will incorporate **The Company's** and the **CUSC Modifications Panel's** initial views on the way forward; and
 - (b) the date proposed by the **Code Administrator** as the **Proposed Implementation Date** and, where the **Workgroup** terms of reference require and the dates proposed by the **Workgroup** are different from those proposed by the **Code Administrator**, those proposed by the **Workgroup**. In relation to a **CUSC Modification Proposal** that meets the **Self-Governance Criteria**, the **Code Administrator** may not propose an implementation date earlier than the sixteenth (16) **Business Day** following the publication of the **CUSC Modifications**

Panel's decision to approve or reject the **CUSC Modification Proposal**. Views will be invited on these dates.

- 8.22.5 Where **The Company** is proposing to recommend to the **Authority** that a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification-(s)** should not be made, **The Company** shall consult with the **Authority** as to whether the **Authority** would like the **CUSC Modification Report** to include the proposed text to amend the **CUSC**. If it does not, no text needs to be included. If it does, and no detailed text has yet been prepared, ~~The Company~~ the Code Administrator shall prepare such text to modify the **CUSC** in order to give effect to such **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification-(s)** and shall seek the views of the relevant **Workgroup** before consulting those identified in Paragraph 8.22.2.
- 8.22.6 Consultation Papers will be copied to **Core Industry Document Owners** and the secretary of the **STC** committee.
- 8.22.7 In respect of any **CUSC Modification Proposal** where a **Workgroup** has not been established nor a **Standing Group** identified and actioned Paragraph 8.22.7 to ~~8.22.12~~ 8.22.11 shall apply.
- 8.22.8 After determination by the **CUSC Modifications Panel** to proceed to wider consultation, such consultation shall be conducted by the **Code Administrator** on the **CUSC Modification Proposal** with:
- (i) **CUSC Parties**; and
 - (ii) such other persons who may properly be considered to have an appropriate interest in it, including **Small Participants** and the **National Consumer Council**.

Where following the decision of the **CUSC Modifications Panel** to proceed directly to consultation by the **Code Administrator**, in relation to a **CUSC Modification Proposal**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to the **Code Administrator's** consultation. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.

- 8.22.9 The consultation will be undertaken by issuing a Consultation Paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement).
- 8.22.10 The Consultation Paper will contain:
- (a) the proposed drafting for the **CUSC Modification Proposal** (unless the Authority decides none is needed in the **CUSC Modification Report** under Paragraph 8.22.11) and will incorporate **The Company's** and the **CUSC Modifications Panel's** initial views on the way forward; and

- (b) the date proposed by the **Code Administrator** as the **Proposed Implementation Date**. Views will be invited on this date.

8.22.11 Where **The Company** is proposing to recommend to the **Authority** that a **CUSC Modification Proposal** should not be made, **The Company** shall consult with the **Authority** as to whether the **Authority** would like the **CUSC Modification Report** to include the proposed text to amend the **CUSC**. If it does not, no text needs to be included. If it does, and no detailed text has yet been prepared, ~~The Company~~ the Code Administrator shall prepare such text to modify the **CUSC** in order to give effect to such **CUSC Modification Proposal** and consult those identified in Paragraph 8.22.2.

8.23 CUSC MODIFICATION REPORT

8.23.1 Subject to the **Code Administrator's** consultation having been completed, the **CUSC Modifications Panel** shall prepare and submit to the **Authority** a report (the "**CUSC Modification Report**") in accordance with this Paragraph 8.23 for each **CUSC Modification Proposal** which is not withdrawn.

8.23.2 The matters to be included in a **CUSC Modification Report** shall be the following (in respect of the **CUSC Modification Proposal**):

- (a) the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification** ~~(s)~~;
- (b) the recommendation of **The Company** as to whether or not the **CUSC Modification Proposal** (or any **Workgroup Alternative CUSC Modification** ~~(s)~~ as provided below) should be made;
- (c) a summary (agreed by the **CUSC Modifications Panel**) of the views (including any recommendations) from **Panel Members** and/or the **Workgroup** as the case may be made during the consultation in respect of the **CUSC Modification Proposal** and of any **Workgroup Alternative CUSC Modification** ~~(s)~~;
- (d) an analysis of whether (and, if so, to what extent) the **CUSC Modification Proposal** and any Workgroup Alternative CUSC Modification(s) would better facilitate achievement of the **Applicable CUSC Objective(s)** with a detailed explanation of the **CUSC Modifications Panel's** reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the **CUSC Modification Proposal** and any Workgroup Alternative CUSC Modification(s) on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the ⁸**Authority** from time to time, and providing a detailed explanation of the **CUSC Modifications Panel's** reasons for that assessment;
- (e) an analysis of whether (and, if so, to what extent) any **Workgroup Alternative CUSC Modification** ~~(s)~~ would better facilitate achievement of the **Applicable CUSC Objective(s)** as compared with the **CUSC Modification Proposal** and any other **Workgroup Alternative CUSC Modification** ~~(s)~~ and the current version of the **CUSC**, with a detailed explanation of the **CUSC Modifications Panel's** reasons for its

⁸Condition 10, paragraph 6, (b)(ivB) and (v)

assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the **Workgroup Alternative CUSC Modification-(s)** on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the ⁹**Authority** from time to time, and providing a detailed explanation of the **CUSC Modifications Panel**'s reasons for that assessment;

- (f) the **Proposed Implementation Date** taking into account the views put forward during the process described at Paragraph 8.22.4(b) such date to be determined by the **CUSC Modifications Panel** in the event of any disparity between such views and those of the **Code Administrator**;
- (g) an assessment of:
 - (i) the impact of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification-(s)** on the **Core Industry Documents** and the **STC**;
 - (ii) the changes which would be required to the **Core Industry Documents** and the **STC** in order to give effect to the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**;
 - (iii) the mechanism and likely timescale for the making of the changes referred to in Paragraph (ii);
 - (iv) the changes and/or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the **Core Industry Documents** and the **STC**;
 - (v) the mechanism and likely timescale for the making of the changes referred to in Paragraph (iv);
 - (vi) an estimate of the costs associated with making and delivering the changes referred to in Paragraphs (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the **Core Industry Document(s)** and **STC** and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the **Core Industry Documents** and the **STC**.

together with an analysis and a summary of representations in relation to such matters, including any made by ¹⁰**Small Participants** and the **National Consumer Council**;

- (h) to the extent such information is available to the **Code Administrator**, an assessment of the impact of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification-(s)** on **CUSC Parties** in general (or classes of **CUSC Parties** in general), including the changes which are likely to be required to their internal systems and

⁹ ~~Condition 10, paragraph 6, (b)(ivB) and (v)~~

¹⁰ ~~Condition 10, paragraph 6(b)(ii)~~

processes and an estimate of the development, capital and operating costs associated with implementing the changes to the **CUSC** and to **Core Industry Documents** and the **STC**;

- (i) copies of (and a summary of) all written representations or objections made by consultees during the consultation in respect of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** and subsequently maintained;
- (j) a copy of any impact assessment prepared by **Core Industry Document Owners** and the **STC** committee and the views and comments of the **Code Administrator** in respect thereof;
- (k) details of the outcome of the **CUSC Modifications Panel Recommendation Vote**.

8.23.3 A draft of the **CUSC Modification Report** will be circulated by the **Code Administrator** to **CUSC Parties**, **Panel Members** and such other persons who may properly be considered to have an appropriate interest in it (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made thereon. Any unresolved comments made shall be reflected in the final **CUSC Modification Report**.

8.23.4 A draft of the **CUSC Modification Report** shall be tabled at the **Panel Meeting** prior to submission of that **CUSC Modification Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph ~~8.19.2~~ 8.19.1 at which the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.

8.23.5 A draft of the **CUSC Modification Report** following the **CUSC Modifications Panel Recommendation Vote** will be circulated by the **Code Administrator** to **Panel Members** (and in electronic mails to **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made on the **CUSC Modifications Panel Recommendation Vote**. Any unresolved comments made shall be reflected in the final **CUSC Modification Report**.

8.23.6 Each **CUSC Modification Report** shall be addressed and furnished to the **Authority** and none of the facts, opinions or statements contained in such **CUSC Modification Report** may be relied upon by any other person.

8.23.7 ~~In~~ Subject to Paragraphs 8.23.9 to 8.23.13, in accordance with the **Transmission Licence**, the **Authority** may approve the **CUSC Modification Proposal** or a **Workgroup Alternative CUSC Modification(s)** contained in the **CUSC Modification Report** (which shall then be an "**Approved CUSC Modification**" until implemented). If the **Authority** believes that neither the **CUSC Modification Proposal** (nor any **Workgroup Alternative CUSC Modification(s)**) would better facilitate achievement of the **Applicable CUSC Objectives**, then there will be no approval. In such a case, the **Code Administrator** will notify **CUSC Parties** and will raise the issue at the next **CUSC Modifications Panel** meeting.

8.23.8 The **Code Administrator** shall copy (by electronic mail to those persons who have supplied relevant details to the **Code Administrator**) the **CUSC Modification Report** to:

- (i) each **CUSC Party**;
 - (ii) each **Panel Member**; and
 - (iii) any person who may request a copy,
- and shall place a copy on the **Website**.

8.23.9 Revised Fixed Proposed Implementation Date

8.23.9.1 Where the **Proposed Implementation Date** included in a **CUSC Modification Report** is a **Fixed Proposed Implementation Date** and the **Authority** considers that the **Fixed Proposed Implementation Date** is or may no longer be appropriate or might otherwise prevent the **Authority** from making such decision by reason of the effluxion of time the **Authority** may direct the **CUSC Modifications Panel** to recommend a revised **Proposed Implementation Date**.

8.23.9.2 Such direction may:

- (a) specify that the revised **Proposed Implementation Date** shall not be prior to a specified date;
- (b) specify a reasonable period (taking into account a reasonable period for consultation) within which the **CUSC Modifications Panel** shall be requested to submit its recommendation; and
- (c) provide such reasons as the **Authority** deems appropriate for such request (and in respect of those matters referred to in Paragraphs 8.23.9.2(a) and (b) above).

8.23.9.3 Before making a recommendation to the **Authority**, the **CUSC Modifications Panel** will consult on the revised **Proposed Implementation Date**, and may in addition consult on any matters relating to the **CUSC Modification Report** which in the **CUSC Modifications Panel**'s opinion have materially changed since the **CUSC Modification Report** was submitted to the **Authority** and where it does so the **CUSC Modifications Panel** shall report on such matters as part of its recommendation under **CUSC Paragraph 8.23.9.4**, with:

- (a) **CUSC Parties**; and
- (b) such other persons who may properly be considered to have an appropriate interest in it.

Such consultation will be undertaken in accordance with **CUSC Paragraphs 8.22.3 and 8.22.6**.

8.23.9.4 Following the completion of the consultation held pursuant to **CUSC Paragraph 8.23.9.3** the **CUSC Modifications Panel** shall report to the **Authority** with copies of all the consultation responses and recommending a **Revised Proposed Implementation Date**.

8.23.9.5 The **Authority** shall notify the **CUSC Modifications Panel** as to whether or not it intends to accept the **Revised Proposed Implementation Date** and where the **Authority** notifies the **CUSC Modifications Panel** that it intends to accept the **Revised Proposed Implementation Date**, the **Revised Proposed Implementation Date** shall be deemed to be the **Proposed Implementation Date** as specified in the **CUSC Modification Report**.

8.23.10 Authority Approval

If:

(a) ~~(a)~~ the **Authority** has not given notice of its decision in respect of a **CUSC Modification Report** within two (2) calendar months (in the case of an **Urgent CUSC Modification Proposal**), or four (4) calendar months (in the case of all other **CUSC Modification Proposals**) from the date upon which the **CUSC Modification Report** was submitted to it; or

(b) ~~(b)~~ the **CUSC Modifications Panel** is of the reasonable opinion that the circumstances relating to the **CUSC Modification Proposal** and/or **Workgroup Alternative CUSC Modification** which is the subject of a **CUSC Modification Report** have materially changed,

the **CUSC Modifications Panel** may request the **Panel Secretary** to write to the **Authority** requesting the **Authority** to give an indication of the likely date by which the **Authority's** decision on the **CUSC Modification Proposal** will be made.

8.23.11 **CUSC** Paragraphs 8.23.9 and 8.23.10 shall only apply in respect of any **CUSC Modification Proposals** submitted after the **CAP 179 Implementation Date**.

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s)**, it may issue a direction to the ⁴¹**CUSC Modifications Panel**:

(a) specifying the additional steps (including ~~legal~~-drafting or amending existing ~~legal~~-drafting associated with the **CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and

(b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, taking into account the complexity, importance and urgency of the **CUSC Modification Proposal and any Workgroup Alternative CUSC Modification(s)**. ⁴² The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's**

⁴¹-Condition 10, paragraph 7-aa

⁴²-Condition 10, paragraph 6(b)-(vii)

direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6. ~~The Authority will then approve or not approve the CUSC Modification Proposal in compliance with Paragraph 8.23.7, or issue another direction pursuant to Paragraph 8.23.12.~~

~~1.22.14 Unless the Authority directs otherwise, The Company shall not make any modification to the Charging Methodologies if a report is furnished to the Authority in accordance with standard condition C5 or standard condition C6 of the Transmission Licence in force as at 30 December 2010, before 31 December 2010, and within twenty eight (28) days of the report being furnished to the Authority, the Authority has either:~~

- ~~(a) directed The Company that the modification shall not be made; or~~
- ~~(b) notified The Company that it intends to undertake an impact assessment and, within three months of giving that notification, has directed The Company not to make the modification.¹³~~

8.24 URGENT CUSC MODIFICATION PROPOSALS

8.24.1 If a **Relevant Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent CUSC Modification Proposal** in accordance with this Paragraph 8.24, the **Panel Secretary** shall notify the **Panel Chairman** who shall then, in accordance with Paragraphs 8.24.2(a) to (e) inclusive, and notwithstanding anything in the contrary in this Section 8, endeavour to obtain the views of the **CUSC Modifications Panel** as to the matters set out in Paragraph 8.24.3. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall attempt to do so (and the measures to be undertaken by the **Panel Chairman** in the following paragraphs shall in such case be undertaken by the **Panel Secretary**).

8.24.2

- (a) The **Panel Chairman** shall determine the time by which, in his opinion, a decision of the **CUSC Modifications Panel** is required in relation to such matters, having regard to the degree of urgency in all circumstances, and references in this Paragraph 8.24.1 to the “time available” shall mean the time available, based on any such determination by the **Panel Chairman**;
- (b) The **Panel Secretary** shall, at the request of the **Panel Chairman**, convene a meeting or meetings (including meetings by telephone conference call, where appropriate) of the **CUSC Modifications Panel** in such manner and upon such notice as the **Panel Chairman** considers appropriate, and such that, were practicable within the time available, as many **Panel Members** as possible may attend;
- (c) Each **Panel Member** shall be deemed to have consented, for the purposes of Paragraph 8.8.9. to the convening of such meeting or

¹³-Condition 5, paragraph 4, Condition 6, paragraph 15B(a)

meetings in the manner and on the notice determined by the **Panel Chairman**. Paragraph 8.8.10 shall not apply to any such business.

- (d) Where:
- (i) it becomes apparent, in seeking to convene a meeting of the **CUSC Modifications Panel** within the time available, that quorum will not be present; or
 - (ii) it transpires that the meeting of the **CUSC Modifications Panel** is not quorate and it is not possible to rearrange such meeting within the time available

The **Panel Chairman** shall endeavour to contact each **Panel Member** individually in order to ascertain such Panel Member's vote, and (subject to paragraph 8.24.2(e)) any matter to be decided shall be decided by a majority of those **Panel Members** who so cast a vote. Where, for whatever reason no decision is reached, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.24.5;

- (e) Where the **Panel Chairman** is unable to contact a least four **Panel Members** within the time available and where:
- (i) It is only **The Company** who has recommended that the proposal should be treated as an **Urgent CUSC Modification Proposal**, then those **Panel Members** contacted shall decide such matters, such decision may be a majority decision. Where in such cases no decision is made for whatever reason, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.24.5; or
 - (ii) any **CUSC Party** (other than, and/or in addition to, **The Company**), the **National Consumer Council** or any **BSC Party** has recommended that the proposal should be treated as an **Urgent CUSC Modification Proposal**, then the **Panel Chairman** may decide the matter (in consultation with those **Panel Members** (if any) which he managed to contact) provided that the **Panel Chairman** shall include details in the relevant **CUSC Modification Report** of the steps which he took to contact other **Panel Members** first.

8.24.3 The matters referred to in Paragraph 8.24.1 are:

- (a) ~~(a)~~ whether such proposal should be treated as an **Urgent CUSC Modification Proposal** in accordance with this Paragraph 8.24 and
- (b) the procedure and timetable to be followed in respect of such **Urgent CUSC Modification Proposal**.

8.24.4 The **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith provide the **Authority** with the recommendation (if any) ascertained in accordance with Paragraphs 8.24.2(a) to (e) inclusive, of the **CUSC Modifications Panel** as to the matters referred to in Paragraph 8.24.2, and shall consult the **Authority** as to whether such **CUSC Modification Proposal**

is an **Urgent CUSC Modification Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

8.24.5 If the **CUSC Modifications Panel** has been unable to make a recommendation in accordance with Paragraph 8.24.2.(d) or Paragraph 8.24.2(e) as to the matters referred to in Paragraph 8.24.3 then the **Panel Chairman** or, in his absence, the **Panel Secretary** may recommend whether he considers that such proposal should be treated as an **Urgent CUSC Modification Proposal** shall forthwith consult the **Authority** as to whether such **CUSC Modification Proposal** is an **Urgent CUSC Modification Proposal** and, if so, as to the procedure and timetable that should apply in respect thereof.

8.24.6 The **CUSC Modifications Panel** shall:

- (a) not treat any **CUSC Modification Proposal** as an **Urgent CUSC Modification Proposal** except with the prior consent of the **Authority**;
- (b) comply with the procedure and timetable in respect of any **Urgent CUSC Modification Proposal** approved by the **Authority**; and
- (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.24.4 or Paragraph 8.24.5.

8.24.7 For the purposes of this Paragraph 8.24.7, the procedure and timetable in respect of an **Urgent CUSC Modification Proposal** may (with the approval of the **Authority** pursuant to Paragraph 8.24.4 or Paragraph 8.24.5) deviate from all or part of the **CUSC Modification Procedures** or follow any other procedure or timetable approved by the **Authority**.

8.24.8 The **CUSC Modification Report** in respect of an **Urgent CUSC Modification Proposal** shall include:

- (a) a statement as to why the **Proposer** believes that such **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal**;
- (b) any statement provided by the **Authority** as to why the **Authority** believes that such **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal**;
- (c) any recommendation of the **CUSC Modifications Panel** (or any recommendation of the **Panel Chairman**) provided in accordance with Paragraph 8.24.1 in respect of whether any **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal** and
- (d) the extent to which the procedure followed deviated from the **CUSC Modification Procedures** (other than the procedures in this Paragraph 8.24.1).

8.24.9 Each **CUSC Party** and each **Panel Member** shall take all reasonable steps to ensure that an **Urgent CUSC Modification Proposal** is considered, evaluated and (subject to the approval of the **Authority**) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the

avoidance of doubt, an **Urgent CUSC Modification Proposal** may (subject to the approval of the **Authority**) result in the **CUSC** being amended on the day on which such proposal is submitted.

8.24.10 Where an **Urgent CUSC Modification Proposal** results in an amendment being made in accordance with Paragraph 8.28, the **CUSC Modifications Panel** may or (where it appears to the **CUSC Modifications Panel** that there is a reasonable level of support for a review amongst **CUSC Parties** shall following such amendment, action a **Standing Group** in accordance with Paragraph 8.21 on terms specified by the **CUSC Modifications Panel** to consider and report as to whether any alternative amendment could, as compared with such amendment better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent CUSC Modification Proposal**.

8.25 SELF-GOVERNANCE

- 8.25.1 If the **CUSC Modifications Panel**, having evaluated a **CUSC Modification Proposal** against the **Self-Governance Criteria**¹⁴, pursuant to Paragraph 8.18.4, considers that the **CUSC Modification Proposal** meets the **Self-Governance Criteria**, the **CUSC Modifications Panel** shall submit to the **Authority** a **Self-Governance Statement** setting out its reasoning in reasonable detail.¹⁵
- 8.25.2 The **Authority** may, at any time prior to the **CUSC Modifications Panel's** determination made pursuant to Paragraph 8.25.9, give written notice that it disagrees with the **Self-Governance Statement** and may direct that the **CUSC Modification Proposal** proceeds through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.
- 8.25.3 Subject to Paragraph 8.25.2, after submitting a **Self-Governance Statement**, the **CUSC Modifications Panel** shall follow the procedure set out in Paragraphs 8.19, 8.20 and 8.22.
- 8.25.4 The **Authority** may, ~~at the first CUSC Modifications Panel meeting at which a CUSC Modification Proposal is discussed at the earliest,~~ issue a direction to the **CUSC Modifications Panel** in relation to a **CUSC Modification Proposal** to follow the procedure set out for **CUSC Modification Proposals** that meet the **Self-Governance Criteria**, notwithstanding that no **Self-Governance Statement** has been submitted or a **Self-Governance Statement** has been retracted and the **CUSC Modifications Panel** shall follow the procedure set out in Paragraphs 8.19, 8.20 and 8.22.
- 8.25.5 Subject to the **Code Administrator's** consultation having been completed pursuant to Paragraph 8.22, the **CUSC Modification Panel** shall prepare a report (the "**CUSC Modification Self-Governance Report**").
- 8.25.6 The matters to be included in a **CUSC Modification Self-Governance Report** shall be the following (in respect of the **CUSC Modification Proposal**):
- (a) details of its analysis of the **CUSC Modification Proposal** against the **Self-Governance Criteria**;

¹⁴-Condition 10, paragraph 6.b.(iiA)

¹⁵-Condition 10, paragraph 13A(a)(i)

- (b) copies of all consultation responses received;
 - (c) the date on which the **CUSC Modifications Panel Self-Governance Vote** shall take place, which shall not be earlier than seven (7) days from the date on which the **CUSC Modification Self-Governance Report** is furnished to the **Authority** in accordance with Paragraph 8.25.7; and
 - (d) such other information that is considered relevant by the **CUSC Modifications Panel**.
- 8.25.7 A draft of the **CUSC Modification Self-Governance Report** will be circulated by the **Code Administrator** to **CUSC Parties** and **Panel Members** (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made thereon. Any unresolved comments made shall be reflected in the final **CUSC Modification Self-Governance Report**.
- 8.25.8 Each **CUSC Modification Self-Governance Report** shall be addressed and furnished to the **Authority** and none of the facts, opinions or statements contained in such **CUSC Modification Self-Governance Report** may be relied upon by any other person.
- 8.25.9 Subject to Paragraph 8.25.11, if the **Authority** does not give written notice that its decision is required pursuant to Paragraph 8.25.2, or if the **Authority** determines that the **Self-Governance Criteria** are satisfied in accordance with Paragraph 8.25.4, then the **CUSC Modification Self-Governance Report** shall be tabled at the **Panel Meeting** following submission of that **CUSC Modification Self-Governance Report** to the **Authority** at which the **Panel Chairman** will undertake the **CUSC Modifications Panel Self-Governance Vote** and the **Code Administrator** shall give notice of the outcome of such vote to the **Authority** as soon as possible thereafter.
- 8.25.10 If the **CUSC Modifications Panel** vote to approve the **CUSC Modification Proposal** pursuant to Paragraph 8.25.9 (which shall then be an “**Approved CUSC Modification Proposal**”) until implemented), then subject to the appeal procedures set out in Paragraphs 8.25.14 to Paragraph 8.25.19 the **CUSC Modification Proposal** may be implemented by **The Company** without the **Authority’s** approval and brought to the attention of **CUSC Parties** and such other persons as may properly be considered to have an appropriate interest in it.-
- 8.25.11 ~~If The CUSC Modifications Panel may at any time prior to the CUSC Modification Panel’s determination retract a **Self-Governance Statement** is **retracted** subject to Paragraph 8.25.4, or if the **Authority** notifies the **CUSC Modifications Panel** that it has determined that a **CUSC Modification Proposal** does not meet the **Self-Governance Criteria** the **CUSC Modifications Panel** shall treat the **CUSC Modification Proposal** as a **Standard CUSC Modification Proposal** and shall comply with Paragraph 8.23, using the CUSC Modification Self-Governance Report as a basis for its **CUSC Modification Report**, and the **Authority** shall make a determination in respect of the **CUSC Modification Proposal** in accordance with Paragraph 8.23.7.~~
- 8.25.12 ~~The Except where the Authority has issued a direction pursuant to Paragraph 8.25.4, the **CUSC Modifications Panel** may remove a **CUSC Modification**~~

Proposal from the process detailed in this Paragraph 8.25 before making its determination pursuant to Paragraph 8.25.9. In that circumstance, the **CUSC Modification Proposal** shall be treated as a **Standard CUSC Modification Proposal** and shall proceed through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.25.13 The **Code Administrator** shall make available on the **Website** and copy (by electronic mail to those persons who have supplied relevant details to the **Code Administrator**) the **CUSC Modification Self-Governance Report** prepared in accordance with Paragraph 8.25 to:

- (i) each **CUSC Party**;
- (ii) each **Panel Member**; and
- (iii) any person who may request a copy,

and shall place a copy on the **Website**.

8.25.14 A **CUSC Party**, or the **National Consumer Council** or any **BSC Party** or (where the **CUSC Modification Proposal** and any related **Workgroup Alternative CUSC Modification(s)** is a proposal to modify the **Charging Methodologies**) a **Materially Affected Party** may appeal to the **Authority** the approval or rejection by the **CUSC Modifications Panel** of a **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification** ~~that met the **Self-Governance Criteria(s)** in accordance with Paragraph 8.25.9,~~ provided that the **Panel Secretary** is also notified, and the appeal has been made up to and including fifteen (15) **Business Days** after ~~publication of the decision to approve or reject the **CUSC Modification Proposal**~~the **CUSC Modifications Panel Self-Governance Vote** has been undertaken pursuant to Paragraph 8.25.9.¹⁶ If such an appeal is made, implementation of the **CUSC Modification Proposal** shall be suspended pending the outcome. The **appealing CUSC Party, National Consumer Council, BSC Party or Materially Affected Party** must notify the **Panel Secretary** of the appeal when the appeal is made.

8.25.15 The **Authority** shall consider ~~the merits of whether~~ the appeal ~~against~~ satisfies the following criteria¹⁷:

- (a) ~~Whether the~~ The appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)**; or
- (b) ~~Whether the~~ The appeal is on the grounds that, in the case of implementation, the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** may not better facilitate the achievement of at least one of the **Applicable CUSC Objectives**; or
- (c) ~~Whether the~~ The appeal is on the grounds that, in the case of non-implementation, the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** may better facilitate the

¹⁶-Condition 10, paragraph 13A(e)

¹⁷-Condition 10, paragraph 13B

achievement of at least one of the **Applicable CUSC Objectives**;
and

- (d) ~~Whether it is~~ it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.

and if the Authority considers that the criteria are not satisfied, it shall dismiss the appeal.

8.25.16 Following any appeal to the **Authority**, a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification**—~~(s)~~ shall be treated in accordance with any decision and/or direction of the ¹⁸**Authority** following that appeal.

8.25.17 If the **Authority** quashes the **CUSC Modifications Panel**'s determination in respect of a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification** ~~that met the Self-Governance Criteria (s) made in accordance with Paragraph 8.25.9~~ and takes the decision on the relevant **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification (s)** itself, following an appeal to the **Authority**, the **CUSC Modification Modifications Panel**'s determination of that **CUSC Modification Proposal** and any Workgroup Alternative CUSC Modification(s) contained in the relevant CUSC Modification Self-governance Report ~~alternative~~ shall be treated as a **CUSC Modification Report** submitted to the **Authority** pursuant to Paragraph 8.23.6 (for the avoidance of doubt, subject to Paragraphs 8.23.9 to 8.23.13) and the **CUSC Modification—Modifications Panel**¹⁹'s determination shall be treated as its recommendation pursuant to Paragraph 8.23.4.

8.25.18 ~~The~~ If the Authority quashes the CUSC Modifications Panel's determination in respect of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification(s) made in accordance with paragraph 8.25.9, the Authority may, following an appeal to the **Authority**, refer the **CUSC Modification Proposal** back to the **CUSC Modifications Panel** for further re-consideration and a further **CUSC Modifications Panel Self-Governance Vote**. ~~and it is also open to the Authority to direct the CUSC Modifications Panel to refer its recommendation to the Authority for final determination pursuant to Paragraph 8.23.7.~~

8.25.19 Following an appeal to the Authority, the Authority may confirm the CUSC Modifications Panel's determination in respect of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification(s) made in accordance with Paragraph 8.25.9.

8.26 TRANSMISSION CHARGING METHODOLOGY FORUM

8.26.1 A **Transmission Charging Methodology Forum** shall be established by **The Company** and shall be chaired by **The Company**.

8.26.2 The **CUSC Modifications Panel** shall adopt the terms of reference of the **Transmission Charging Methodology Forum** and may change those terms of reference from time to time as it sees fit.

¹⁸-Condition 10, paragraph 13C

¹⁹-Condition 10, paragraph 13C(b)

- 8.26.3 The **Transmission Charging Methodology Forum** shall provide a forum for regular communication and discussion of issues relating to the **Transmission Charging Methodologies** and their development²⁰ between **The Company** and **CUSC Parties**, **BSC Parties** and any **Materially Affected Parties**.²¹

8.27 CONFIDENTIALITY

- 8.27.1 Any representations submitted by a person pursuant to the **CUSC Modification Procedures** may be made publicly available save as otherwise expressly requested by such person by notice in writing to the **Code Administrator**. A **WG-Workgroup Consultation Alternative Request** may in all cases be made publicly available.
- 8.27.2 The **CUSC Modification-Modifications Panel**, **The Company** and the **Code Administrator** shall not be liable for any accidental publication of a representation which is the subject of a request made under Paragraph 8.27.1.
- 8.27.3 For the avoidance of doubt, all representations (whether or not marked confidential) shall be sent to the **Authority**.

8.28 IMPLEMENTATION

- 8.28.1 The **CUSC** shall be modified either in accordance with the terms of the direction by the **Authority** relating to, or other approval by the **Authority** of, the **CUSC Modification Proposal** or any **Workgroup Alternative CUSC Modification-(s)** contained in the relevant **CUSC Modification Report**, or in respect of **CUSC Modification Proposals that meet the Self-Governance Criteria** or any **Workgroup Alternative CUSC Modification(s) that are subject to the determination of the CUSC Modifications Panel pursuant to Paragraph 8.25.9**, in accordance with the relevant **CUSC Modification Self-Governance Report subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19**.
- 8.28.2 The **Code Administrator** shall forthwith notify (by publication on the **Website** and, where relevant details are supplied by electronic mail):
- (a) each **CUSC Party**;
 - (b) each **Panel Member**;
 - (c) the **Authority**;
 - (d) each **Core Industry Document Owner**,
 - (e) the secretary of the **STC** committee;
 - (f) each **BSC Party** via ELEXON;
 - (g) each **Materially Affected Party**; and
 - (h) the **National Consumer Council**

²⁰ Condition 10, paragraph 6(a)(ae)(i)

²¹ Final Proposals, section 4, pg 35

of the change so made and the effective date of the change.

- 8.28.3 A modification of the **CUSC** shall take effect from the time and date specified in the direction, or other approval, from the **Authority** referred to in Paragraph 8.28.1 or, in the absence of any such time and date in the direction or approval, from 00:00 hours on the day falling ten (10) **Business Days** after the date of such direction, or other approval, from the **Authority** except in relation to a modification of the **CUSC** in respect of the **Charging Methodologies**, which may only take effect from 1 April of any given year. A modification of the **CUSC** ~~that meets the Self-Governance Criteria, which does not require approval from the Authority, pursuant to Paragraph 8.25.10~~ shall take effect ~~subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19,~~ from the time and date specified by the **Code Administrator** in its notice given pursuant to Paragraph 8.28.2, which shall, ~~taking into account~~ be given after the expiry of the fifteen (15) **Business Day** period set out in Paragraph 8.25.14 to allow for appeals, ~~shall be no less than sixteen (16) Business Days after the date on which the notice is published pursuant to Paragraph 8.28.2 or where an appeal is raised in accordance with Paragraph 8.25.14, on conclusion of the appeal in accordance with Paragraphs 8.25.15 or 8.25.19 but where conclusion of the appeal is earlier than the fifteen (15) Business Day period set out in Paragraph 8.25.14, notice shall be given after the expiry of this period.~~
- 8.28.4 A modification made pursuant to and in accordance with Paragraph 8.28.1 shall not be impaired or invalidated in any way by any inadvertent failure to comply with or give effect to this Section.
- 8.28.5 If a modification is made to the **CUSC** in accordance with the **Transmission Licence** but other than pursuant to the other **CUSC Modification Procedures** in this Section 8, the **CUSC Modifications Panel** shall determine whether or not to submit the ~~amendment~~ modification for review by a **Standing Group** in accordance with Paragraph 8.21 on terms specified by the **CUSC Modifications Panel** to consider and report as to whether any alternative ~~amendment~~ modification could, as compared with such ~~amendment~~ modification better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of the original ~~amendment~~ modification.

Transitional Issues

- 8.28.6 Notwithstanding the provisions of Paragraph 8.28.3, **CUSC Modification Proposal** CAP 160 changes the **CUSC Modification Process** and therefore may affect other **CUSC Modification Proposals** which have not yet become **Approved CUSC Modifications**. Consequently, this Paragraph deals with issues arising out of the implementation of **CUSC Modification Proposal** CAP 160. In particular this Paragraph deals with which version of the **CUSC Modification Process** will apply to **CUSC Modification Proposal(s)** which were already instigated prior to the implementation of **CUSC Modification Proposal** CAP 160.

In respect of any **CUSC Modification Proposal** which the **CUSC Modification Panel** has determined, as at the date and time of implementation of **CUSC Modification Proposal** CAP 160 (as directed by the **Authority**), should proceed to wider consultation by **The Company** is known as an “**Old CUSC Modification Proposal**”. In respect of any **CUSC Modification Proposal** where the **CUSC Modification Panel** has not determined, as at the date and time of implementation of **CUSC Modification**

Proposal CAP 160 (as directed by the **Authority**), that it should proceed to wider consultation by **The Company** is known as a “**New CUSC Modification Proposal**”. The provisions of Section 8 and the associated definitions in Section 11 which will apply to any **Old CUSC Modification Proposal(s)** are the provisions of Section 8 and the associated definitions in Section 11 of the **CUSC** which are in force immediately prior to the implementation of CAP 160. The provisions of Section 8 and the associated definitions in Section 11 which will apply to any **New CUSC Modification Proposals** are the provisions of the **CUSC** in force from time to time.

- 8.28.7 Notwithstanding the provisions of Paragraph 8.28.3, **CUSC Modification Proposals** CAP 183, 184, 185 and 188 change the **CUSC Modification Process** and therefore may affect other **CUSC Modification Proposals** which have not as at the last date of the implementation of these changes become **Approved CUSC Modifications**. Consequently, this Paragraph deals with issues arising out of the implementation of **CUSC Modification Proposals** CAP 183, 184, 185 and 188. In particular this Paragraph deals with which version of the **CUSC Modification Process** will apply to **CUSC Modification Proposal(s)** which were already instigated prior to the implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188.

Any **CUSC Modification Proposal** that was submitted pursuant to Paragraph 8.16.4 prior to the implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188 is known as an “**Old CUSC Modification Proposal**”. Any **CUSC Modification Proposal** that was submitted pursuant to Paragraph 8.16.4 on the date of or any date following implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188 is known as a “**New CUSC Modification Proposal**”. The provisions of Section 8 and the associated definitions in Section 11 that will apply to any **Old CUSC Modification Proposal(s)** are the provisions of Section 8 and the associated definitions in Section 11 of the **CUSC** that are in force immediately prior to the implementation of the last of CAP 183, 184, 185 and 188. The provisions of Section 8 and the associated definitions in Section 11 that will apply to any **New CUSC Modification Proposals** are the provisions of the **CUSC** in force from time to time.

ANNEX 8A ELECTION OF USERS' PANEL MEMBERS

8A.1 GENERAL

8A.1.1 Introduction

8A.1.1.1 This Annex 8A sets out the basis for election of **Users' Panel Members** and **Alternate Members** for the purpose of Paragraphs 8.4.2. and 8.7.2

8A.1.1.2 This Annex 8A shall apply:

- (a) in relation to each year (the "**Election Year**") in which the term of office of **Users' Panel Members** and **Alternate Members** expires, for the purposes of electing **Users' Panel Members** and **Alternate Members** to hold office with effect from 1st October in that year;
- (b) subject to and in accordance with Paragraph 8A.4, upon a **Users' Panel Member** and/or **Alternate Members** ceasing to hold office before the expiry of his term of office.

8A.1.1.3 For the purposes of an election under Paragraph 8A.1.1.2(a) references to **Users** are to persons who are **Users** as at 20th June in the election year.

8A.1.1.4 The **Code Administrator** shall administer each election of **Users' Panel Members** and **Alternate Members** pursuant to this Annex 8A.

8A.1.2 Election timetable

8A.1.2.1 The **Code Administrator** shall not later than 1st July in the election year prepare and circulate to all **Users** (by publication on the **Website** and, where relevant details are supplied, by electronic mail), with a copy to the **Authority**, an invitation to nominate candidates who must be willing to be either a **User Panel Member** or an **Alternate Member** and a timetable for the election (the "**Election Timetable**"), setting out:

- (a) the date by which nominations of candidates are to be received, which shall not be less than three (3) weeks after the timetable is circulated;
- (b) the date by which the **Code Administrator** shall circulate a list of candidates and voting papers;
- (c) the date by which voting papers are to be submitted, which shall not be less than three (3) weeks after the date for circulating voting papers;
- (d) the date by which the results of the election will be made known, which shall not be later than 15th September in the **Election Year**.

8A.1.2.2 If for any reason it is not practicable to establish an election timetable in accordance with Paragraph 8A.2.1.1 or to proceed on the basis of an election timetable which has been established, the **Code Administrator** may establish a different timetable, or revise the election timetable, by notice to all **Users**, the **CUSC Modifications Panel** and the **Authority**, provided that such timetable or revised timetable shall provide for the election to be completed before 1st October in the **Election Year**.

8A.1.2.3 A nomination or voting paper received by the **Code Administrator** later than the respective required date under the election timetable (subject to any revision under Paragraph 8A.1.2.2) shall be disregarded in the election.

8A.2. CANDIDATES

8A.2.1 Nominations

8A.2.1.1 Nominations for candidates shall be made in accordance with the **Election Timetable**.

8A.2.1.2 Subject to Paragraph 8A.1.1.3, each **User** may nominate one candidate for election by giving notice to the **Code Administrator**.

8A.2.2 List of candidates

8A.2.2.1 The **Code Administrator** shall draw up a list of the nominated candidates and circulate the list to all **Users** by the date specified in the **Election Timetable**.

8A.2.2.2 The list shall specify the **User** by whom each candidate was nominated and any affiliations which the candidate may wish to have drawn to the attention of **Users**.

8A.2.2.3 Except where Paragraphs 8A.4.3 or 8A.4.4 apply, if seven (7) or fewer candidates are nominated no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Users' Panel Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

8A.2.2.4 Where Paragraph 8A.4.3 applies, if only one (1) candidate is nominated, no further steps in the election shall take place and such candidate shall be treated as elected as a **Panel Member** and Paragraph 8A.3.2.4 shall apply in relation to such candidate.

8A.2.2.5 Where Paragraph 8A.4.4 applies, if five (5) or fewer candidates are nominated, no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Alternate Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

8A.3. VOTING

8A.3.1 Voting papers

8A.3.1.1 Voting papers shall be submitted in accordance with the election timetable.

8A.3.1.2 Each **User** may submit one voting paper.

8A.3.2 Preference votes and voting rounds

8A.3.2.1 Each **User** submitting a voting paper shall vote by indicating on the voting paper a first, second and third preference ("**Preference Votes**") among the candidates.

8A.3.2.2 A voting paper need not indicate a second, or a third, preference, but the same candidate may not receive more than one **Preference Vote** in a voting paper.

8A.3.2.3 Candidates shall be elected in three voting rounds (together where necessary with a further round under Paragraph 8A.3.6) in accordance with the further provisions of this Paragraph 8A.3.

8A.3.2.4 The **Code Administrator** shall determine which candidates are elected and announce (to the **Authority** and all **Users**) the results of the election in accordance with the election timetable.

8A.3.2.5 The **Code Administrator** shall not disclose the **Preference Votes** cast by **Users** or received by candidates; but a **User** may by notice to the **Authority** require that the **Authority** scrutinise the conduct of the election, provided that such **User** shall bear the costs incurred by the **Authority** in doing so unless the **Authority** recommends that the election results should be annulled.

8A.3.2.6 Further references to voting papers in this Paragraph 8A.3 do not include voting papers which are invalid or are to be disregarded (i.e. voting papers not made or submitted in accordance with the **CUSC**.)

8A.3.3 First voting round

8A.3.3.1 In the first voting round:

(a) the number of first **Preference Votes** allocated under all voting papers to each candidate shall be determined.

(b) the first round qualifying total shall be:

$$(T / N) + 1$$

where

T is the total number of first **Preference Votes** in all voting papers;

N is the number of **Users' Panel Members** and/or **Alternate Members** to be elected.

8A.3.3.2 If the number of first **Preference Votes** allocated to any candidate is equal to or greater than the first round qualifying total, that candidate shall be elected.

8A.3.4 Second voting round

8A.3.4.1 In the second voting round:

(a) the remaining candidates are those which were not elected in the first voting round;

(b) the remaining voting papers are voting papers other than those under which the first **Preference Votes** were for candidates elected in the first voting round;

(c) the number of first and second **Preference Votes** allocated under all remaining voting papers to each remaining candidate shall be determined;

(d) the second round qualifying total shall be

$$(T' / N') + 1$$

where T' is the total number of first **Preference Votes** and second **Preference Votes** allocated under all remaining voting papers; N' is the number of **Panel Members** and/or **Alternate Members** remaining to be elected after the first voting round.

8A.3.4.2 If the number of first and second **Preference Votes** allocated to any remaining candidate is equal to or greater than the second round qualifying total, that candidate shall be elected.

8A.3.5 Third voting round

8A.3.5.1 In the third voting round:

- (a) the remaining candidates are those which were not elected in the first or second voting rounds;
- (b) the remaining voting papers are voting papers other than those under which the first or second **Preference Votes** were for candidates elected in the first or second voting rounds;
- (c) the number of first, second and third **Preference Votes** allocated under all remaining voting papers to each remaining candidate shall be determined;
- (d) the third round qualifying total shall be

$$(T'' / N'') + 1$$

where T'' is the total number of first **Preference Votes**, second **Preference Votes** and third **Preference Votes** allocated under all remaining voting papers;

N'' is the number of **Panel Members** remaining to be elected after the first and second voting rounds.

8A.3.5.2 If the number of first, second and third **Preference Votes** allocated to any remaining candidate is equal to or greater than the third round qualifying total, that candidate shall be elected.

8A.3.6 Further provisions

8A.3.6.1 If after any voting round the number of candidates achieving the required **Preference Votes** threshold exceeds the number of persons remaining to be elected, the following tie-break provisions shall apply between the tied candidates. In addition, if after the third voting round any **Panel Member(s)** or **Alternate Member(s)** remain to be elected the following tie-break provisions shall apply between the remaining candidates:

- (a) the tied or remaining candidates (as applicable) shall be ranked in order of the number of first **Preference Votes** allocated to them, and the candidate(s) with the greatest number of such votes shall be elected;
- (b) in the event of a tie between two or more candidates within Paragraph (a), the candidate(s) (among those tied) with the greatest number of second **Preference Votes** shall be elected;
- (c) in the event of a tie between two or more candidates within Paragraph (b), the **Code Administrator** shall select the candidate(s) (among those tied) to be elected by drawing lots.

8A.3.7 Alternate Members and Panel Members

- 8A.3.7.1** Except where Paragraphs 8A.4.3 or 8A.4.4 apply, the seven (7) candidates receiving the greatest number of votes shall be elected as **Users' Panel Members** and the next five (5) shall be elected as **Alternate Members**.
- 8A.3.7.2** Where Paragraph 8A.4.3 applies the number of candidate(s) up to and including the number of **Panel Member Interim Vacancies** receiving the greatest number of votes pursuant to the **Interim Panel and Alternate Election Process** shall be elected as **Users' Panel Member(s)** and the remaining candidates up to and including the number of **Alternate Member Interim Vacancies** receiving the greatest number of votes shall be elected as **Alternate Member(s)**.
- 8A.3.7.3** Where Paragraph 8A.4.4 applies the five (5) candidates receiving the greatest number of votes pursuant to the **Alternate Election Process** shall be elected as **Alternate Members**.
- 8A.4. VACANCIES**
- 8A.4.1 General**
- 8A.4.1.1** If a **Panel Member** ceases to hold office pursuant to Paragraph 8.6.1 (b) (i) then Paragraph 8A.4.2 shall apply.
- 8A.4.1.2** If a **Panel Member** ceases to hold office pursuant to Paragraph 8.6.1 (a), 8.6.1 (b) (ii) to (vi) (inclusive) or 8.6.1 (c) to (e) (inclusive) then Paragraph 8A.4.3 shall apply.
- 8A.4.1.3** If an **Alternate Member** ceases to hold office pursuant to Paragraph 8.6 (the "**Resigning**" **Alternate Member**) then Paragraph 8A.4.4 shall apply.
- 8A.4.1.4** The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or any replacement **Alternate Member** under this Paragraph 8A.4.
- 8A.4.2 Replacement of a Panel Member who ceases to hold office pursuant to Paragraph 8.6.1 (b) (i)**
- 8A.4.2.1** Where this Paragraph 8A.4.2 applies, and in accordance with the duties set out in Paragraph 8.3.4(a), such **Panel Member** may appoint a replacement **Panel Member** (subject to Paragraph 8A.4.2.2) for the remainder of the term of office of such **Panel Member** and shall notify the **Panel Secretary** of a replacement **Panel Member** at the same time as they resign. If such **Panel Member** does not appoint a replacement at the time of notifying the **Panel Secretary** of their resignation then such **Panel Member** will be replaced in accordance with Paragraph 8A.4.3 and this Paragraph 8A.4.2.1 shall no longer apply.
- 8A.4.2.2** A **Panel Member** shall only appoint an **Alternate Member** to be his replacement pursuant to Paragraph 8A.4.2.1 and such **Alternate Member** chosen to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.
- 8A.4.3 Replacement of a Panel Member who ceases to hold office pursuant to Paragraph 8.6.1 (a), 8.6.1 (b) (ii) to (vi) (inclusive) or 8.6.1 (c) to (e) inclusive)**
- 8A.4.3.1** Subject to Paragraph 8A.4.3.2, such **Panel Member** shall, where one or more **Alternate Member(s)** hold office, be replaced by the **Alternate Member** who previously received the highest number of cumulative **Preference Votes** but if there were a tie-break in relation to such **Preference Votes** then the tie-break provisions set out in Paragraph 8A.3.6.1 shall apply, in either circumstance such **Alternate**

Member selected to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.

8A.4.3.2 If there are no **Alternate Members** in office upon a **Panel Member** ceasing to hold office then:

- (a) Where there are not less than six (6) months remaining until the next full election further **Panel Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following Paragraphs 8A.4.3.3 to 8A.4.3.5 (inclusive) (the “**Interim Panel and Alternate Election Process**”).
- (b) Where there are less than six (6) months remaining until the next full election no further **Panel Members** or **Alternate Members** shall be elected pursuant to this Paragraph 8A.4.3 and the positions shall remain vacant until the next full election.

8A.4.3.3 Where this Paragraph 8A.4.3.3 applies the **Code Administrator** shall indicate in the invitation referred to at Paragraph 8A.1.2.1 the number of vacancies for both **Panel Member(s)** (“**Panel Member Interim Vacancies**”) and **Alternate Member(s)** (“**Alternate Member Interim Vacancies**”) for which the **Interim Panel and Alternate Election Process** is being held.

8A.4.3.4 Any **Panel Member(s)** or **Alternate Member(s)** elected pursuant to the **Interim Panel and Alternate Election Process** shall cease to hold office at the next full election.

8A.4.3.5 The timetable for the **Interim Panel and Alternate Election Process** shall be expedited and the **Code Administrator** shall prepare a timetable accordingly.

8A.4.4 Replacement of a Resigning Alternate Member

8A.4.4.1 Subject to Paragraph 8A.4.4.2 a **Resigning Alternate Member** shall not be replaced.

8A.4.4.2 If there are no **Alternate Members** remaining in office following the resignation of an **Alternate Member** or their appointment as **Panel Member** in accordance with 8A.4.2 or 8A.4.3 then

- (a) Where there are not less than six (6) months remaining until the next full election further **Alternate Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following paragraphs 8A.4.4.3 to 8A.4.4.5 (inclusive) (the “**Alternate Election Process**”).
- (b) Where there are less than six (6) months remaining until the next full election no further **Alternate Members** shall be elected and the positions shall remain vacant until the next full election

8A.4.4.3 Where this paragraph 8A.4.4.3 applies, a reference in Paragraphs 8A.2 and 8A.3 to a **Users’ Panel Member** or **Panel Member** shall not apply except in the case of Paragraph 8A.3.5.1 (d) where the reference to “**Panel Members**” shall be read and construed as a reference to “**Alternate Members**”.

8A.4.4.4 Any **Alternate Member(s)** elected pursuant to the **Alternate Election Process** shall cease to hold office at the next full election.

8A.4.4.5 The timetable for the **Alternate Election Process** shall be expedited and the **Code Administrator** shall prepare a timetable accordingly.

END OF SECTION 8

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CUSC - SECTION 11

INTERPRETATION AND DEFINITIONS

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- 11.2 Interpretation and Construction
- 11.3 Definitions

SECTION 11

INTERPRETATION AND DEFINITIONS

11.1 INTRODUCTION

This Section sets out general rules to be applied in interpreting the **CUSC, Bilateral Agreements, Construction Agreements and Mandatory Services Agreements**. It also sets out the defined terms used by the **CUSC** (other than those defined elsewhere in the **CUSC**) and other agreements. Those other agreements may, in accordance with Paragraph 11.2.2, have their own further interpretation rules and defined terms which apply only to the individual agreements.

11.2 INTERPRETATION AND CONSTRUCTION:

11.2.1 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:

- (a) the interpretation rules in this Paragraph 11.2; and
- (b) the words and expressions defined in Paragraph 11.3,

shall, unless the subject matter or context otherwise requires or is inconsistent therewith, apply.

11.2.2 Save as otherwise expressly provided in the **CUSC**, in the event of any inconsistency between the provisions of any **Bilateral Agreement, Mandatory Services Agreement or Construction Agreement** and the **CUSC**, the provisions of the **Bilateral Agreement or Mandatory Services Agreement or Construction Agreement** shall prevail in relation to the **Connection Site** which is the subject thereof to the extent that the rights and obligations of **Users** not party to that **Bilateral Agreement, Mandatory Services Agreement or Construction Agreement** are not affected.

11.2.3 If in order to comply with any obligation in the **CUSC**, any **Bilateral Agreement** or any **Construction Agreement** any **CUSC Party** is under a duty to obtain the consent or approval (including any statutory licence or permission) ("the **Consent**") of a third party (or the **Consent** of another **CUSC Party**) such obligation shall be deemed to be subject to the obtaining of such **Consent** which the **CUSC Party** requiring the **Consent** shall use its reasonable endeavours to obtain including (if there are reasonable grounds therefor) pursuing any appeal in order to obtain such **Consent**.

11.2.4 If such **Consent** is required from any **CUSC Party** then such **CUSC Party** shall grant such **Consent** unless it is unable to do so or it would be unlawful for it to do so provided that such grant by such **CUSC Party** may be made subject to such reasonable conditions as such **CUSC Party** shall reasonably determine.

11.2.5 For the avoidance of doubt if the **CUSC Party** who is under a duty to obtain such **Consent** fails to obtain such **Consent** having complied with this Paragraph 11.2 the obligation on that **CUSC Party** (in relation to which such **Consent** is required) shall cease.

11.2.6 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:

- (a) unless the context otherwise requires all references to a particular Paragraph, Part, Section, Schedule or Exhibit shall be a reference to that Paragraph, Part, Section, Schedule or Exhibit in or to the **CUSC** and all references to a particular Appendix shall be a reference to that Appendix to a **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** (as the case may be);
- (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing the **CUSC** or a **Bilateral Agreement**, **Construction Agreement** or **Mandatory Services Agreement** as the case may be;
- (c) references to the words "include" or "including" are to be construed without limitation to the generality of the preceding words;
- (d) unless the context otherwise requires any reference to an Act of Parliament or any part or section or other provision of or schedule to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament; and
- (e) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

11.3 DEFINITIONS

The following terms shall have the following meanings:

"10 Clear Days"	defined as 10 complete periods of 24 hours from 00:00hrs to 24:00hrs;
"ABSVD Methodology Statement"	the document entitled "Applicable Balancing Services Volume Data Methodology Statement", as published by The Company as the same may be amended from time to time;
"Accession Agreement"	an agreement in or substantially in the form of Exhibit A to the CUSC whereby an applicant accedes to the CUSC Framework Agreement ;
"Acceptance Volume"	as defined in the Balancing and Settlement Code ;
"Act"	the Electricity Act 1989;
"Active Power"	the product of voltage and the in-phase component of alternating current measured in units of watts and standard multiples thereof i.e.

1000 watts = 1kW
1000 kW = 1MW

1000 MW = 1GW
1000 GW = 1TW;

"Actual Amount"	as defined in Paragraph 3.13;
"Additional Load"	Site Load other than Station Load and importing Generating Units for processes other than the production of electricity;
"Additional Scheduling Data"	as defined in the Grid Code on the day prior to the NETA Go-live Date ;
"Adjusted LDTEC Profile"	the LDTEC Profile as adjusted by the MW cap specified by the User in its acceptance of the LDTEC Block Offer in accordance with CUSC Paragraph 6.32.6.4;
"Affected User"	a User : a) with Transmission Entry Capacity for the Connection Site against which the affected BM Unit is registered and who is paying or in receipt of generator Transmission Network Use of System Charges by reference to such Transmission Entry Capacity ; or b) an Interconnector Owner ;
"Affiliate"	in relation to The Company (and in relation to Paragraphs 6.14 and 8A.4.2.2, any User) means any holding company or subsidiary of The Company (or the User as the case may be) or any subsidiary of a holding company of The Company (or the User as the case may be), in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985 as substituted by section 144 of the Companies Act 1989;
"Agency Business"	any business of The Company or any Affiliate or Related Undertaking in the purchase or other acquisition or sale or other disposal of electricity as agent for any other Authorised Electricity Operator ;
"Agreed Ancillary Services"	Part 2 System Ancillary Services and Commercial Ancillary Services ;
"Agreed Value"	the value attributed by The Company to the form of security provided that if The Company and the User cannot agree on such value then the value will be determined by an expert appointed by The Company and the User or, failing their agreement as to the expert, the expert nominated by the Director General of The Institute of Credit Management;

"Alternate Election Process"	As <u>as</u> defined in Paragraph 8A.4.4.2 ;
"Alternate Member(s)"	persons appointed as such pursuant to Paragraph 8.7.2;
"Alternate Member Interim Vacancies"	as defined in Paragraph 8A.4.3.3 ;
"Allowed Interruption"	shall mean an Interruption as a result of any of the following: <ul style="list-style-type: none"> a) an Event other than an Event on the National Electricity Transmission System; b) an event of Force Majeure pursuant to Paragraph 6.19 of the CUSC; c) a Total Shutdown or Partial Shutdown; d) action taken under the Fuel Security Code; e) Disconnection or Deenergisation by or at the request of The Company under Section 5 of the CUSC, except in the case of an Emergency Deenergisation Instruction; f) the result of a direction of the Authority or Secretary of State; g) tripping of the User's Circuit Breaker(s) following receipt of a signal from a System to Generator Operational Intertripping Scheme which has been armed in accordance with Paragraph 4.2A.2.1(b). <p>or if provided for in a Bilateral Agreement with the affected User;</p>
"Ancillary Services"	System Ancillary Services and/or Commercial Ancillary Services as the case may be;
"Ancillary Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Ancillary Services , which term shall include without limitation a Mandatory Services Agreement ;
"Annual Average Cold Spell (ACS) Conditions"	a particular combination of weather elements which gives rise to a level of peak Demand within an The Company Financial Year which has a 50% chance of being exceeded as a result of weather variation alone;

"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Applicant"	a person applying for connection and/or use of system under the CUSC ;
"Applicable CUSC Objectives"	as defined in the Transmission Licence ;
"Applicable Value"	The <u>the</u> highest contractual Transmission Entry Capacity figure for year "t" provided to The Company up to and including 31 October in year "t-1" for publication in the October update of the Seven Year Statement;
"Application for a STTEC"	an application made by a User in accordance with the Offer " Paragraph 6.31 for Short Term Capacity for a STTEC Period ;
"Approved Agency"	the panel of three independent assessment agencies appointed by NGC <u>The Company</u> and other network operators from time to time for the purpose of providing Independent Credit Assessments details of such agencies to be published on the NGC <u>The Company Website</u> ;
"Approved CUSC Modification"	as defined in Paragraph 8.23.7;
"Applicable Balancing Services Volume Data"	has the meaning given in the Balancing and Settlement Code ;
"Approved Credit Rating"	a long term debt rating of not less than BB- by Standard and Poor's Corporation or a rating not less than Ba3 by Moody's Investor Services, or a short term rating which correlates to those long term ratings, or an equivalent rating from any other reputable credit agency approved by The Company ; or such other lower rating as may be reasonably approved by The Company from time to time;
"Authorised Electricity Operator"	any person (other than The Company in its capacity as operator of the National Electricity Transmission System) who is authorised to generate, participate in the transmission of, distribute or supply electricity and for the purposes of Standard Condition C4 of the Transmission Licence shall include any person who has made application to be so authorised which application has not been refused and any person transferring electricity to or from Great Britain across an interconnector or who has made application for use of interconnector which has not been refused;
"Authorised Recipient"	in relation to any Protected Information ,

means any **Business Person** who, before the **Protected Information** had been divulged to him by **The Company** or any **Subsidiary of The Company**, had been informed of the nature and effect of Paragraph 6.15.1 and who requires access to such **Protected Information** for the proper performance of his duties as a **Business Person** in the course of **Permitted Activities**;

"**Authority**"

the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the **Act** or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;

"**Available LDTEC**"

is the level of MW for an **LDTEC Week** as notified by ~~NGC~~ The Company to a **User** in (in the case of the first seven **LDTEC Weeks**) the **LDTEC Indicative Block Offer** and for subsequent **LDTEC Weeks** in an **LDTEC Availability Notification**;

"**Back Stop Date**"

in relation to an item of **Derogated Plant**, the date by which it is to attain its **Required Standard**, as specified in or pursuant to the relevant **Derogation**;

"**Balancing and Settlement Code**" or "**BSC**"

as defined in the **Transmission Licence**;

"**Balancing Code**" or "**BC**"

as defined in the **Grid Code**;

"**Balancing Mechanism**"

as defined in the **Transmission Licence**;

"**Balancing Services**"

as defined in the **Transmission Licence**;

"**Balancing Services Activity**"

as defined in the **Transmission Licence**;

"**Balancing Services Agreement**"

an agreement between **The Company** and a **User** or other person governing the provision of and payment for one or more **Balancing Services**;

"**Balancing Services Use of System Charges**"

the element of **Use of System Charges** payable in respect of the **Balancing Services Activity**;

"**Balancing Services Use of System Reconciliation Statement**"

as defined in Paragraph 3.15.1;

"Bank Account"	a separately designated bank account in the name of The Company at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by The Company to the User , bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by The Company against delivery of a Notice of Drawing for the amount demanded therein and mandated for the transfer of any interest accrued to the Bank Account to such bank account as the User may specify;
"Base Rate"	in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding Business Day ;
"Base Value at Risk"	The <u>the</u> sum of HH Base Value at Risk and the NHH Base Value at Risk ;
"BELLA Application"	an application for a BELLA in the form or substantially in the form set out in Exhibit Q;
"BELLA Offer"	an offer for a BELLA in the form or substantially the form set out in Exhibit R including any revision or extension of such offer;
"Bi-annual Estimate"	an estimate pursuant to Paragraph 2.21.2 of all payments to be made or which may be required to be made by the User in any relevant period, such estimate to be substantially in the form set out in Exhibit L to the CUSC ;
"Bid"	as defined in the Balancing and Settlement Code ;
"Bid-Offer Acceptance"	as defined in the Balancing and Settlement Code ;
"Bid-Offer Volume"	as defined in the Balancing and Settlement Code ;
"Bilateral Agreement"	in relation to a User , a Bilateral Connection Agreement or a Bilateral Embedded Generation Agreement , or a BELLA between The Company and the User ;
"Bilateral Connection Agreement"	an agreement entered into pursuant to Paragraph 1.3.1 a form of which is set out in Exhibit 1 to Schedule 2 ;
"Bilateral Embedded Generation"	an agreement entered into pursuant to Paragraph 1.3.1, a form of which is set out in

Agreement"	Exhibit 2 to Schedule 2 ;
"Bilateral Embedded Licence exemptable Large power station Agreement" or "BELLA"	an agreement in respect of an Embedded Exemptable Large Power Station entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 5 to Schedule 2 ;
"Bilateral Insurance Policy"	a policy of insurance taken out by the User with a company in the business of providing insurance who meets the Requirements for the benefit of The Company and upon which The Company can claim if the circumstances set out in CUSC Paragraph 5.3.1(b) (i) to (v) arise in respect of such User and which shall provide security for the Agreed Value . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Block LDTEC"	is at any given time the lower of the MW figure in the LDTEC Profile or Adjusted LDTEC Profile for an LDTEC Period ;
"BM Unit"	as defined in the Balancing and Settlement Code ;
"BM Unit Identifiers"	the identifiers (as defined in the Balancing and Settlement Code) of the BM Units ;
"BM Unit Metered Volume"	as defined in the Balancing and Settlement Code ;
"Boundary Point Metering System"	as defined in the Balancing and Settlement Code ;
"British Grid Systems Agreement"	the agreement made on 30 March 1990 of that name between The Company , Scottish Hydro Electric plc, and Scottish Power plc;
"BSC Agent"	as defined in the Balancing and Settlement Code ;
"BSC Framework Agreement"	as defined in the Transmission Licence ;
"BSC Panel"	the Panel as defined in the Balancing and Settlement Code ;
"BSC Party"	a person who is for the time being bound by the Balancing and Settlement Code by virtue of being a party to the BSC Framework Agreement ;

" Business Day "	any week-day other than a Saturday on which banks are open for domestic business in the City of London;
" Business Person "	any person who is a Main Business Person or a Corporate Functions Person and " Business Personnel " shall be construed accordingly;
<u>"CAP 179 Implementation Date"</u>	shall mean the date specified as the Implementation Date in the direction issued by the Authority approving CUSC Amendment Proposal 179 (Prevention of Timing Out of Authority Decisions on Amendment Proposals);
" Capability Payment "	as defined in Paragraph 4.2A.4(a)(i);
" Category 1 Intertripping Scheme "	as defined in the Grid Code ;
" Category 2 Intertripping Scheme "	as defined in the Grid Code ;
" Category 3 Intertripping Scheme "	as defined in the Grid Code ;
" Category 4 Intertripping Scheme "	as defined in the Grid Code ;
" CCGT Unit "	a Generating Unit within a CCGT Module ;
" Central Volume Allocation "	as defined in the Balancing and Settlement Code ;
" Charging Date "	as defined in the Construction Agreement ;
" Charging Dispute "	as defined in Paragraph 7.2.1;
" Charging Methodologies "	(a) the Use of System Charging Methodology ; and/or (b) the Connection Charging Methodology ;
" Charging Statements "	the Statement of the Connection Charging Methodology , the Statement of the Use of System Charging Methodology , and the Statement of Use of System Charges ;
" Circuit Breaker "	a mechanical switching device, capable of making, carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specified abnormal circuit conditions, such as those of short circuit;
" CMRS "	as defined in the Balancing and Settlement Code ;
" Code Administration Code of Practice "	the code of practice approved by the Authority and: (a) developed and maintained by the code administrators in existence from time to time;

	(b) amended subject to the Authority's approval from time to time; and
	(c) re-published from time to time;
"Code Administrator"	The Company carrying out the role of Code Administrator pursuant to Section 8;
"Code of Practice"	as defined in the Balancing and Settlement Code ;
"Combined Cycle Gas Turbine Module" or "CCGT Module"	a collection of Generating Units (registered under the Grid Code PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam system of the associated Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines to enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;
"Commercial Ancillary Services"	as defined in the Grid Code ;
"Commercial Boundary"	(unless otherwise defined in the relevant Mandatory Services Agreements), the commercial boundary between either The Company or a Public Distribution System Operator (as the case may be) and the User at the higher voltage terminal of the generator step-up transformer;
"Commercial Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Agreed Ancillary Services ;
"Commissioned"	in respect of Plant and Apparatus commissioned before the Transfer Date means Plant and Apparatus recognised as having been commissioned according to the commissioning procedures current at the time of commissioning and in respect of Plant and Apparatus commissioned after the Transfer Date means Plant and/or Apparatus certified by the Independent Engineer as having been commissioned in accordance with the relevant Commissioning Programme ;
"Commissioning Programme"	in relation to a particular user, as defined in its Construction Agreement ;
"Commissioning Programme Commencement Date"	as defined in relation to a particular User in the Construction Agreement ;

"Competent Authority"	the Secretary of State , the Authority and any local or national agency, authority, department, inspectorate, minister (including Scottish ministers), ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community;
"Completion Date"	in relation to a particular User , as defined in its Construction Agreement ;
"Composite Demand Charges"	in respect of a User its Demand related Transmission Network Use of System Charges for each Transmission Network Use of System Demand Zone ;
"Confidential Information"	all data and other information supplied to a User by another CUSC Party under the provisions of the CUSC or any Bilateral Agreement, Construction Agreement or Mandatory Services Agreement ;
"Connect and Manage Arrangements"	the arrangements whereby pursuant to Standard Condition C26 of the Transmission Licence and Standard Condition D16 of a Relevant Transmission Licensee's transmission licence connection to and or use of the National Electricity Transmission System is permitted by virtue of a Connect and Manage Derogation on completion of the Enabling Works but prior to completion of the Wider Transmission Reinforcement Works ;
"Connect and Manage Derogation"	means the temporary derogation from the NETS SQSS available to The Company pursuant to Standard Condition C17 of the Transmission Licence and/or a Relevant Transmission Licensee pursuant to Standard Condition D3 of its transmission licence;
"Connect and Manage Derogation Criteria"	the criteria detailed as such in CUSC Section 13.2.4;
"Connect and Manage Derogation Report"	the report required to be prepared by The Company and/or a Relevant Transmission Licensee in respect of a Connect and Manage Derogation ;
"Connect and Manage Implementation Date"	means the date which the Secretary of State determines shall be the connect and manage implementation date;
"Connect and Manage Power Station"	means a Power Station which is directly connected to the National Electricity Transmission System or which is Distributed Generation ;

"Connect and Manage Transition Period"	means the period ending 6 months after the Connect and Manage Implementation Date ;
"Connected Planning Data"	in relation to a particular user, as defined in its Construction Agreement ;
"Connection"	a direct connection to the National Electricity Transmission System by a User ;
"Connection Application"	an application for a New Connection Site in the form or substantially in the form set out in Exhibit B to the CUSC ;
"Connection Boundary"	shall be the boundary defined by Paragraph 14.2.6 of the Statement of the Connection Charging Methodology [insert reference to paragraph 1.6 of connection charging methodology] ;
"Connection Charges"	charges made or levied or to be made or levied for the carrying out (whether before or after the date on which the Transmission Licence comes into force) of works and provision and installation of electrical plant, electric lines and ancillary meters in constructing entry and exit points on the National Electricity Transmission System , together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as Use of System Charges , all as more fully described in the Transmission Licence , whether or not such charges are annualised, including all charges provided for in the statement of Connection Charging Methodology (such as Termination Amounts and One-off Charges);
"Connection Charging Methodology"	as defined in the Transmission Licence and set out in Section x14 ;
"Connection Conditions" or "CC"	that portion of the Grid Code which is identified as the Connection Conditions ;
"Connection Entry Capacity"	the figure specified as such for the Connection Site and each Generating Units as set out in Appendix C of the relevant Bilateral Connection Agreement ;
"Connection Offer"	an offer or (where appropriate) the offers for a New Connection Site in the form or substantially in the form set out in Exhibit C including any revision or extension of such offer or offers;
"Connection Site"	each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and Transmission Connection

Assets required to connect that **User** to the **National Electricity Transmission System** are situated. If two or more **Users** own or operate **Plant** and **Apparatus** which is connected at any particular location that location shall constitute two (or the appropriate number of) **Connection Sites**;

"Connection Site Demand Capability" the capability of a **Connection Site** to take power to the maximum level forecast by the **User** from time to time and forming part of the **Forecast Data** supplied to **The Company** pursuant to the **Grid Code** together with such margin as **The Company** shall in its reasonable opinion consider necessary having regard to **The Company's** duties under its **Transmission Licence**;

"Consents" in relation to a particular **User**, as defined in its **Construction Agreement**;

In relation to any Works:-

a) all such planning and other statutory consents; and

b) all wayleaves, easements, rights over or interests in land or any other consent; or for commencement and carrying on of any activity proposed to be undertaken at or from such Works when completed

c) permission of any kind as shall be necessary for the construction of the Works;

"Construction Agreement" an agreement entered into pursuant to Paragraph 1.3.2;

"Construction Programme" in relation to a particular **User**, as defined in its **Construction Agreement**;

"Construction Works" In relation to a particular **User**, as defined in its **Construction Agreement**;

"Consumption" as defined in the **Balancing and Settlement Code** in relation to a Consumption BM Unit;

"Control Telephony" as defined in the **Grid Code**;

"Contract Test" a test (not being a **Reactive Test**) described in a **Market Agreement**;

"Contract Start Days" as defined in Paragraph 3.3 of Schedule 3, Part I;

"Core Industry Documents" as defined in the **Transmission Licence**;

"Core Industry Document Owner" in relation to a **Core Industry Document**, the body(ies) or entity(ies) responsible for the

	management and operation of procedures for making changes to such document;
"Corporate Functions Person"	any person who is: <ul style="list-style-type: none"> (a) a director of The Company; or (b) an employee of The Company or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the Main Business; or (c) engaged as an agent of or adviser to or performs work in relation to or services for the Main Business;
"Cost Statement"	as defined in Paragraph 2.14.3;
"Credit Assessment Score"	a score between zero and ten given by an Approved Agency in the Independent Credit Assessment ;
"Credit Assessment Sum"	the proportion of the of the Unsecured Credit Cover extended by NGC <u>The Company</u> to a User who does not meet the Approved Credit Rating and calculated in accordance with Paragraph 3.26.6;
"Credit Rating"	the credit requirements set by The Company from time to time in relation to Termination Amounts ;
"CUSC"	this Connection and Use of System Code ;
"CUSC Framework Agreement"	as defined in the Transmission Licence ;
"CUSC Implementation Date"	00.01 on the 18 September 2001;
"CUSC Modification Procedures"	the procedures for the modification of the CUSC (including the implementation of Approved CUSC Modifications) as set out in Section 8;
"CUSC Modification Process"	the part of the CUSC Modification Procedures relating to consideration by the CUSC Modifications Panel and Workgroups , consultation by the Workgroups and The Company and preparation of an <u>a</u> CUSC Modification Report by The Company <u>the CUSC Modifications Panel</u> ;
"CUSC Modification Proposal"	a proposal to modify the CUSC which is not rejected pursuant to Paragraphs 8.16.5 or 8.16.6 and has not yet been implemented;
"CUSC Modification Register"	as defined in Paragraph 8.13.1;

"CUSC Modification Report"	a report prepared pursuant to Paragraph 8.23;
"CUSC Modification Self-Governance Report"	a report prepared pursuant to Paragraph 8.25;
"CUSC Modifications Panel"	the body established and maintained pursuant to Paragraph 8.3;
"CUSC Modifications Panel Recommendation Vote"	The <u>the</u> vote of Panel Members undertaken by the Panel Chairman in accordance with Paragraph.8.23.4 as to whether they believe each CUSC Modification Proposal , or Workgroup Alternative CUSC Modification would better facilitate achievement of the applicable <u>Applicable</u> CUSC Objective(s) ;
"CUSC Modifications Panel Self-Governance Vote"	The vote of Panel Members undertaken by the Panel Chairman in accordance with Paragraph-8.25.9 as to whether they believe each CUSC Modification Proposal , or as compared with the then existing provisions of the CUSC and any <u>Workgroup Alternative CUSC Modification set out in the CUSC Modification Self-Governance Report</u> , would better facilitate achievement of the Applicable CUSC Objective(s) ;
"CUSC Party"	as defined in the Transmission Licence ;
"Customer"	a person to whom electrical power is provided (whether or not he is the provider of such electrical power) other than power to meet Station Demand of that person;
"Customer Services Team"	the customer services team identified within The Company which manages the commercial interface with parties connected to the transmission network, as identified on the Website ;
"DC Converter"	As defined in the Grid Code ;
"Data Registration Code" or "DRC"	the portion of the Grid Code which is identified as the Data Registration Code ;
"DCLF"	Direct Current Load Flow;
"Deemed HH Forecasting Performance"	the sum calculated in accordance with <u>Section 3</u> , Appendix 2 Paragraph 3 as it may be revised in accordance with paragraph 3.22.7.
"Deemed NHH Forecasting Performance"	the sum calculated in accordance with <u>Section 3</u> , Appendix 2 Paragraph 6 as it may be revised pursuant to Paragraph 3.22.8.
"Deenergisation" or "Deenergise(d)"	the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow to or from the relevant

	System through the User's Equipment ;
"Defaulting Party"	as defined in Paragraph 4.3.2.11;
"Defendant Party"	as defined in Paragraph 7.5.1;
"Delivering"	as defined in the Balancing and Settlement Code ;
"De-Load"	the difference (expressed in MW) between the Maximum Export Limit and the Final Physical Notification Data as adjusted by the Acceptance Volume in respect of a Bid-Offer Acceptance (if any), and "De-Loaded" shall be construed accordingly;
"Demand"	the demand of MW and Mvar of electricity (i.e. both Active Power and Reactive Power), unless otherwise stated;
"Demand Forecast"	a Users <u>User's</u> forecast of its Demand submitted to The Company in accordance with paragraphs 3.10, 3.11 and 3.12;
"Depreciation Period"	in relation to a Transmission Connection Asset for a particular User , the period which commences on the asset's initial effective charging date, and which expires after the appropriate duration, which unless otherwise agreed upon connection is 40 years excluding FMS metering electronics that are agreed between the User and The Company ;
"Derogation"	means (a) a direction issued by the Authority relieving a CUSC Party from the obligation under its Licence to comply with such parts of the Grid Code or any Distribution Code or in the case of The Company the Transmission Licence as may be specified in such direction and/or (b) a Connect and Manage Derogation as the context requires and "Derogated" shall be construed accordingly;
"Derogated Plant"	Plant or Apparatus which is the subject of a Derogation ;
"Design Variation"	is a connection design (which provides for connection to the National Electricity Transmission System) which fails to satisfy the relevant deterministic criteria detailed for an Onshore Connection in paragraphs 2.5 to 2.13 and for an Offshore Connection in 7.7 to 7.19, as appropriate, of the NETS SQSS ;
"Designated sum"	As defined in Standard Condition C13 of the Transmission Licence.

“Designated Sum”	means such sum as shall be directed by the Authority as soon as practicable after the determination of an approved Use of System Charging Methodology ;
"De-synchronisation"	the act of taking a BM Unit off a System to which it has been Synchronised , by opening any connecting circuit breaker, and " De-synchronised " shall be construed accordingly;
"Detailed Planning Data"	detailed additional data which The Company requires under the PC in support of Standard Planning Data;
"Directive"	includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority , (but only, if not having the force of law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force;
“Directly-Connected User” or “Directly-Connected Customer”	A large, usually industrial, consumer of electricity who is directly connected to the National Electricity Transmission System ;
"Disconnect" or "Disconnection"	without prejudice to the interpretation of the terms " Disconnect " or " Disconnection " to Users acting in capacities other than those detailed, the following definitions shall apply: <ul style="list-style-type: none"> (a) for Users acting in their capacity as Generators with Embedded Large Power Stations or Embedded Medium Power Stations, passing power on to a Distribution System through a connection to a Distribution System which had not been commissioned as at the Transfer Date, means permanent physical disconnection of the User's Equipment at the site of connection to the Distribution System; (b) for Users who are Trading Parties (as defined in the Balancing and Settlement Code) acting in their capacity as responsible for Small Power Stations which are Embedded, means, permanent physical disconnection of the User's Equipment or Equipment for which the User is responsible (as defined in Section K of the Balancing and Settlement Code) at the site of connection to the Distribution System;

	(c) for Users acting in a capacity other than those detailed in (a) or (b), means permanent physical disconnection of a User's Equipment at any given Connection Site which permits removal thereof from the Connection Site or removal of all Transmission Connection Assets therefrom (as the case may be);
"Dispute Resolution Procedure"	the procedures set out in Section 7;
"Dispute Statement"	as defined in Paragraph 3.15.4;
"Distributed Generation"	means for the purposes of the Connect and Manage Arrangements : <ul style="list-style-type: none"> (a) an Embedded Power Station which is the subject of a Bilateral Embedded Generation Agreement; (b) an Embedded Power Station which is the subject of a Bilateral Embedded Licence Exemptable Large Power Station Agreement; (c) a Relevant Embedded Medium Power Station; (d) a Relevant Embedded Small Power Station.
"Distribution Agreement"	an agreement entered into by a User with the owner/operator of the Distribution System for the connection of the User's Equipment (or equipment for which the User is responsible (as defined in Section K of the Balancing and Settlement Code) to and use of such Distribution System ;
"Distribution Code(s)"	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Licence(s) as from time to time revised in accordance with those Licences ;
"Distribution Connection Agreement"	an agreement between a User who owns or operates a Distribution System and an owner of a Power Station for connection to that User's Distribution System ;
"Distribution Interconnector"	as defined in the Balancing and Settlement Code ;
"Distribution Interconnector Owner"	the Owner of a Distribution Interconnector or of that part of a Distribution Interconnector directly connected to a Distribution System ;

"Distribution Licence"	a licence issued under section 6(1)(c) of the Act ;
"Distribution System"	the system consisting (wholly or mainly) of electric lines owned or operated by any Authorised Electricity Operator and used for the distribution of electricity from Grid Supply Points or generation sets or other entry points to the point of delivery to Customers or Authorised Electricity Operators , and includes any Remote Transmission Assets operated by such Authorised Electricity Operator and any electrical plant and meters owned or operated by the Authorised Electricity Operator in connection with the distribution of electricity, but shall not include any part of the National Electricity Transmission System ;
"Distribution Voltage"	a voltage of 132kV or below in England & Wales. A voltage of below 132kV in Scotland. Generally taken to be voltages lower than those defined as transmission voltages;
"Dormant CUSC Party"	a CUSC Party which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the CUSC , as provided for in Section 5;
"Earthing"	as defined in the Grid Code ;
"EdF Documents"	as defined in the Balancing and Settlement Code ;
"Election Timetable"	as defined in Paragraph 8A.1.2.1;
"Election Year"	as defined in Paragraph 8A.1.1.2;
"Electricity Arbitration Association"	as the phrase ' Electricity Supply Industry Arbitration Association ' is defined in the Grid Code ;
"Eligible Small Generator"	defined as an eligible generator in Standard Condition 13 of the Transmission Licence;
"Embedded"	a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected;
	In <u>in</u> the context of the Charging Methodologies it shall mean a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Transmission Licensee (but with no other

connection to the **National Electricity Transmission System**);

"Embedded Generator MW Register"

the Register set up by **The Company** pursuant to Paragraph 6.35;

"Emergency Deenergisation Instruction"

an instruction issued by **The Company** to a **User** to either:

- (a) **Deenergise** that **User's Equipment**, or
- (b) request the owner of the **Distribution System to which the User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Deenergise** that **User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code** or ;
- (c) declare its **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User's Equipment** to zero and to maintain it at that level during the **Interruption Period**,

where in **The Company's** reasonable opinion:

- (i) the condition or manner of operation of any **Transmission Plant** and/or **Apparatus** is such that it may cause damage or injury to any person or to the **National Electricity Transmission System**; and
- (ii) if the **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not **Deenergised** and/or the **Maximum Export Limit** of such **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not reduced to zero then it is likely that the **Transmission Plant** and/or **Apparatus** would automatically trip; and
- (iii) if such **Transmission Plant** and/or **Apparatus** had tripped automatically, then
 - (l) the **BM Unit** comprised in

such **User's Equipment** (other than an **Interconnector Owner**); or

(II) an **Interconnector** of an **Affected User** who is an **Interconnector Owner**,

would, solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **National Electricity Transmission System**, have been **Deenergised**;

"Emergency Instruction"

as defined in the **Grid Code**;

"Enabling Works"

those elements of the **Transmission Reinforcement Works** identified as such in accordance with **CUSC** Section 13 and which in relation to a particular **User** are as specified and by its acceptance of the **Offer** or **Modification Offer**, agreed by the **User** in the relevant **Construction Agreement**;

"End Date"

shall mean 5.00pm on the date 12 months from (and not including) the **Security Amendment Implement-Implementation Date**;

"Energisation" or "Energise(d)"

the movement of any isolator, breaker or switch or the insertion of any fuse so as to enable **Energy** to flow from and to the relevant **System** through the **User's Equipment**;

"Energy"

the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the power, measured in units of watt-hours or standard multiples thereof i.e.

1000 Wh = 1KWh

1000 KWh = 1MWh

1000 MWh = 1GWh

1000 GWh = 1TWh;

"Energy Metering Equipment"

as the phrase "**Metering Equipment**" is defined in the **Balancing and Settlement Code**;

"Energy Metering System"

as the phrase "**Metering System**" is defined in the **Balancing and Settlement Code**;

"Enforceable"

The Company (acting reasonably) is satisfied that the security is legally enforceable and in this respect the **User** shall obtain such legal opinion at its expense as **The Company** (acting reasonably shall require);

"Engineering Charge"	as set out in the Statement of Use of System Charges from time to time;
"Enhanced Reactive Power Service"	as defined in Paragraph 1.2 of Schedule 3, Part I;
"Enhanced Rate"	in respect of any day the rate per annum which is 4% per annum above the Base Rate ;
"Escrow Account"	a separately designated bank account in the name of The Company at such branch of Barclays Bank PLC or such branch of any other bank, in the City of London as is notified by The Company to the User , bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of any sums solely by The Company ;
"Estimated Demand"	the forecast Demand (Active Power) data filed with The Company pursuant to the Charging Statements ;
"ET Interface Operator"	the operator of the Onshore Distribution System to which an ET Offshore Transmission System connects;
"ET Interface Point"	the electrical point of connection between an Offshore Transmission System and an Onshore Distribution System and in relation to a particular User as defined in its Bilateral Connection Agreement ;
"ET Offshore Transmission System"	an Offshore Transmission System connected at an ET Interface Point ;
<u>"ET Restrictions on Availability"</u>	<u>is in the context of an ET Offshore Transmission System the reduction in capability as set out in the relevant Notification of ET Restrictions on Availability;</u>
"ET Restrictions on Availability" "ET Use of System Charges"	is in the context of an ET Offshore Transmission System the reduction in capability as set out in the relevant Notification of ET Restrictions on Availability; the element of Use of System Charges consisting of charges payable by The Company to the ET Interface Operator in respect of the connection to a Distribution System by an Offshore Transmission System and use of such Distribution System by means of such Offshore Transmission System ;
"Event"	as defined in the Grid Code ;
"Event of Default"	any of the events set out in Section 5 as

	constituting an event of default;
"Exchange Rate"	the Transmission Entry Capacity available to a specific party as a direct result of a specific reduction in the Transmission Entry Capacity available to another party ² ;
"Exchange Rate Request"	a joint request from a User and another User to calculate the Exchange Rate that would apply were they to agree to a TEC Trade ² ;
"Excitation System"	the equipment providing the field current of a machine, including all regulating and control elements as well as field discharge or suppression equipment and protective devices;
"Exemptable"	where the person generating electricity at the relevant Power Station is, or would be (if it generated electricity at no other Power Station and/or did not hold a Generation Licence) exempt from the requirement to hold a Generation Licence under the Act ;
"Exempt Export BM Unit"	<u>as defined in the Balancing and Settlement Code</u> ;
"Exempt Generator"	any generator who, under the terms of the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001, is not obliged to hold a generation licence;
"Exemptible Generation"	generating plant where the party generating electricity at that generating plant is, or would (if it generated electricity at no other generating plant and/or did not hold a generation licence) be, exempt from the requirement to hold a generation licence (including Scottish generation that export between 50 and 100MW that was connected on or before 30 September 2000);
"Exempt Power Station"	a Power Station where the person generating electricity at that Power Station is exempt from the requirement to hold a Generation Licence under the Act ;
"Existing ICM Construction Agreement"	a Construction Agreement entered into between The Company and a User prior to the Connect and Manage Implementation Date and which is on the basis of the Interim Connect and Manage Arrangements ;
"Existing Offshore Generator"	as defined in the Transmission Licence ;
"Existing Security Cover"	the Security Cover held by NGC <u>The Company</u> in respect of a User pursuant to

	CUSC Section 3 Part III immediately prior to the Security Amendment Implementation Date ;
"Export"	as defined in the Balancing and Settlement Code ;
"External Interconnection"	as defined in the Grid Code ;
"Externally Interconnected System Operator"	as defined in the Grid Code ;
"Final Adjustments Statement"	as defined in Paragraph 4.3.2.6(b);
"Final Demand Reconciliation Statement"	as defined in Paragraph 3.12.7(a);
"Final Monthly Statement"	as defined in Paragraph 4.3.2.6;
"Final Physical Notification Data"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Settlement Run"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Volume Allocation Run"	as defined in the Balancing and Settlement Code ;
"Final Statement"	as defined in Paragraph 4.3.2.6(a);
"Final Sums"	in relation to a particular User , as defined in its Construction Agreement ;
"Financial Year"	the period of 12 months ending on 31st March in each calendar year;
"First Offer"	as defined in Paragraph 6.10.4;
"First User"	as defined in Paragraph 6.10.3;
"Fixed Proposed Implementation Date"	the proposed date(s) for the implementation of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification such date to be a specific date by reference to an assumed date by which a direction from the Authority approving the CUSC Modification Proposal or Workgroup Alternative CUSC Modification is required in order for the CUSC Modification Proposal or any Workgroup Alternative CUSC Modification , if it were approved, to be implemented by the proposed date;
"FMS Date"	1st April 1993;
"Force Majeure"	in relation to any CUSC Party any event or circumstance which is beyond the reasonable control of such CUSC Party and which results in or causes the failure of that CUSC Party to

perform any of its obligations under the **CUSC** including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, fault or failure of **Plant** and **Apparatus** (which could not have been prevented by **Good Industry Practice**), governmental restraint, Act of Parliament, other legislation, bye law and **Directive** (not being any order, regulation or direction under section 32, 33, 34 and 35 of the **Act**) provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that **CUSC Party** and provided, for the avoidance of doubt, that weather conditions which are reasonably to be expected at the location of the event or circumstance are also excluded as not being beyond the reasonable control of that **CUSC Party** ;

"Forecasting Performance Related VAR "

the sum of **HH Forecasting Performance Related VAR** and **NHH Forecasting Performance Related VAR**;

"Frequency"

the number of alternating current cycles per second (expressed in Hertz) at which a **System** is running;

"Frequency Deviation"

a positive or negative deviation from **Target Frequency**;

"Frequency Response"

an automatic response by a **BM Unit** or **CCGT Unit** to a change in **Frequency** with the aim of containing **System Frequency** within the limits provided for under the **Grid Code**;

"Frequency Sensitive Mode"

as defined in the **Grid Code**;

"Fuel Security Code"

the document of that title designated as such by the **Secretary of State** as from time to time amended;

"Full TEC Reduction Notice Period"

means one **Financial Year** and 5 **Business Days** prior to the beginning of the **Financial Year** from which the decrease in **Transmission Entry Capacity** or **Disconnection** (as appropriate) is to take effect;

"GB Transmission System" or "GBTS"

for the purposes of Section 12 means the system consisting (wholly or mainly) of high voltage electric wires owned or operated by

	transmission licensees within Great Britain and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"Gas Turbine Unit"	a Generating Unit driven by a gas turbine (for instance an aero-engine);
"Generating Plant"	a Large Power Station ;
"Generating Unit"	unless otherwise provided in the Grid Code any Apparatus which produces electricity;
"Generation Business"	the authorised business of The Company or any Affiliate or Related Undertaking in the generation of electricity or the provision of Balancing Services , in each case from pumped storage and from the Kielder hydro-electric generating station;
"Generation Capacity"	the normal full load capacity of a Generating Unit as declared by the Generator , less the MW consumed by the Generating Unit through the Generating Unit's unit transformer when producing the same;
"Generation Licence"	the licence granted to a Generator pursuant to section 6(1)(a) of the Act ;
"Generation Reconciliation Statement"	as defined in Paragraph 3.12.2;
"Generator"	a person who generates electricity under licence or exemption under the Act ;
"Genset"	as defined in the Grid Code ;
"Good Industry Practice"	in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
"Great Britain"	The landmass of England and Wales and Scotland, including internal waters;
"Grid Code"	the Grid Code drawn up pursuant to the Transmission Licence , as from time to time revised in accordance with the Transmission Licence ;

"Grid Supply Point" ("GSP")	a point of delivery from the National Electricity Transmission System to a Distribution System or a Non-Embedded Customer ;
"Gross Asset Value"	the value calculated by The Company in accordance with recognised accounting principles and procedures as published by The Company from time to time;
"Group"	as defined in the Grid Code ;
"GSP Group"	as defined in the Balancing and Settlement Code ;
"HH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 1 of Section 3. Appendix 2 ;
"HH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.3
"HH Charges"	that element of Transmission Network Use of System Demand Charges relating to half-hourly metered Demand ;
"HH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed HH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company ;
"High Frequency Response"	as defined in the Grid Code ;
"High Voltage" or "HV"	a voltage exceeding 650 volts;
"Holding Payment"	that component of the payment for Mode A Frequency Response calculated in accordance with Paragraph 4.1.3.9;
"ICRP"	Investment Cost Related Pricing;
"Implementation Date"	is the date and time for implementation of an Approved CUSC Modification as specified in accordance with Paragraph 8.28.3;
"Import"	as defined in the Balancing and Settlement Code ;
"Income Adjusting Event"	as defined in the Transmission Licence ;
"Indemnified Persons"	as defined in Paragraph 8.12.1;
"Independent Engineer"	in relation to a particular User , as defined in its Construction Agreement ;
"Independent Credit Assessment"	an assessment of the creditworthiness of a User by an Approved Agency as nominated by the User obtained in accordance with

	Paragraph 3.26.7, 3.26.8 and 3.26.9;
"Independent Security Arrangement"	a guarantee in favour of The Company in a form satisfactory to The Company and which is provided by an entity which meets the Requirements . In addition The Company may accept such a policy from an entity who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Indicative Annual HH TNUoS charge"	The Company's forecast of the User's total HH Charges relating to a Financial Year ;
"Indicative Annual NHH TNUoS charge"	The Company's forecast of the User's total NHH Charges relating to a Financial Year ;
"Indicative Block LDTEC"	is the Available LDTEC ;
"Indicative Maximum Generation Capability"	has the meaning attributed to it in Paragraph 4.2.3.2;
"Industry Code"	<u>Means-means</u> a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Act or under sections 7, 7ZA or 7A of the Gas Act 1986;
"Initial Charge"	as defined in Paragraph 3.15.23.16.2 ;
"Initial Demand Reconciliation Statement"	as defined in Paragraph 3.12.43.13.4 ;
"Initial Volume Allocation Run"	as defined in the Balancing and Settlement Code ;
"Initial Settlement Run"	as defined in the Balancing and Settlement Code ;
"Insurance Performance Bond"	a Performance Bond provided by a company in the business of providing insurance which meets the Requirements . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Intellectual Property" or "IPRs"	patents, trade marks, service marks, rights in designs, trade names, copyrights and

topography rights (whether or not any of the same are registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same which may subsist anywhere in the world;

"Interconnected System Operator"	as defined in the Balancing and Settlement Code ;
"Interconnector"	as defined in the Balancing and Settlement Code ;
"Interconnector Asset Owner"	the owner of an Interconnector ;
"Interconnector Error Administrator"	as defined in the Balancing and Settlement Code ;
"Interconnector Owner"	the owner of an Interconnector , or of that part of an Interconnector , directly connected to the National Electricity Transmission System ;
"Interconnector User"	(a) in relation to an Interconnector connected to the National Electricity Transmission System , as defined in the Balancing and Settlement Code ; and (b) in relation to a Distribution Interconnector , a Lead Party (as defined in the Balancing and Settlement Code) in respect of a single BM Unit where under Section K5 of the Balancing and Settlement Code the BM Unit has been allocated in relation to that Distribution Interconnector or if there is no such allocation, as defined in the Balancing and Settlement Code ;
"Interface Agreement"	the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.15 based substantially on the forms set out in Exhibit O to the CUSC ;
"Interim Connect and Manage Arrangements"	the arrangements in place between 8 May 2009 and the Connect and Manage Implementation Date whereby Offers were made by The Company on the basis that a Derogation would be obtained from the Authority such that identified Transmission Reinforcement Works did not need to completed prior to connection and/or use of system;
"Interim Panel and Alternate Election process"	As defined in Paragraph 8A.4.3.2

“Interruption”

where either:-

- (i) solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **National Electricity Transmission System**; or
- (ii) in accordance with an **Emergency Deenergisation Instruction**;
 - a) a **BM Unit** comprised in the **User’s Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**; or
 - b) an **Interconnector** of an **Affected User** who is an **Interconnector Owner** is **Deenergised**.; or
 - c) The **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User’s Equipment** is zero.

“Interruption Payment”

the payment for each day or part thereof of the **Interruption Period** calculated as follows:

1. In the case of a **Relevant Interruption** arising as a result of a **Planned Outage** the higher of:

- A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system **Transmission Entry Capacity**, in each case using figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs, this is then divided by 365 to give a daily £ per MW rate; or
- B. the actual £ per MW of an **Affected User** by reference to the tariff in the **Use of System Charging Statement** for the **Financial Year** in which the **Relevant Interruption** occurs divided by 365 to give a daily £ per MW rate.

A or B are then multiplied by:

- a) in the case of an **Affected User** other than an **Interconnected Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the

Connection Entry Capacity of the unaffected **BM Units** at the **Connection Site**; and

- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**.

2. In the case of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**:

- (a) sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 4.4.5 of the **Balancing and Settlement Code**) for each **Settlement Period** (or part thereof) from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** until the first **Settlement Period** for which **Gate Closure** had not (at the time the **Emergency Deenergisation Instruction** was issued by **The Company**) occurred

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnected Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and
 - (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**,
- (b) For each subsequent **Settlement Period** of the **Relevant Interruption** which occurs within the first 24 hours of the **Relevant Interruption**, a sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 1.5.3 of the **Balancing and Settlement Code**)

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection site**; and
- (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**; and
- (c) and after the first 24 hours a sum calculated as 1 above

3. In the case of all other **Relevant Interruptions**:

For each **Settlement Period** of the **Relevant Interruption** which occurs within the first 24 hours of the **Relevant Interruption**, a sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 1.5.3 of the **Balancing and Settlement Code**).

Multiplied by:

- a) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and
- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**

and after the first 24 hours a sum calculated as 1 above.

Provided always that an **Affected User** shall not receive payment for more than one **Relevant Interruption** in any given day;

“Interruption Period”

the period in days commencing with the notification by **The Company** to the **Affected User** of the start of **Relevant Interruption** and

ending on the notification by **The Company** the **Affected User** that the **Relevant Interruption** has ended;

"Intertrip Contracted Unit"

(i) in the case of a **Power Park Module**, the collection of **Non-Synchronous Generating Units** which are registered as a **Power Park Module** under the **Grid Code**; and

(ii) all other cases, a **Generating Unit**,

unless, in either case, the **Bilateral Agreement** specifies otherwise.

"Intertrip Payment"

as defined in Paragraph 4.2A.4(c);

"Isolation"

as defined in the **Grid Code**;

"Joint System Incident"

Paragraphs (a) and (b) below are without prejudice to the application of Paragraph 6.4 to **Users** acting in capacities other than those detailed in Paragraphs (a) and (b),

(a) for **Users** in respect of their **Connection Sites** which were not **Commissioned** as at the **Transfer Date**, shall have the meaning given to that term in the **Grid Code**;

(b) for **Users** acting in their capacity as **Generators** with **Embedded Large Power Stations** or **Embedded Medium Power Stations** and who are passing power onto a **Distribution System** through a connection with a **Distribution System** which was not **Commissioned** as at the **Transfer Date**, means an event wherever occurring (other than on an **Embedded Medium Power Station** or **Embedded Small Power Station**) which, in the opinion of **The Company** or a **User** has or may have a serious and/or widespread effect, being (in the case of an event on a **User(s) System(s)**) (other than on an **Embedded Medium Power Station** or **Embedded Small Power Station**), on the **National Electricity Transmission System**, and (in the case of an event on the **National Electricity Transmission System**), on a **User(s) System(s)** (other than on an **Embedded Independent Generating Plant**);

"Joint Temporary TEC Exchange Users"

means the **Temporary TEC Exchange Donor User** and the **Temporary TEC Exchange Recipient User**;

"Lagging"	in relation to Reactive Power , exporting Mvar;
"Land Charge"	the charge (if any) set out in Appendix B to a Bilateral Connection Agreement ;
"Large Power Station"	as defined in the Grid Code ;
"LDTEC"	Is, in the case of an accepted LDTEC Block Offer , Block LDTEC or, in the case of an accepted LDTEC Indicative Block Offer , Indicative Block LDTEC ;
"LDTEC Availability Notification"	the form set out in Exhibit T to the CUSC ;
"LDTEC Block Offer"	is an offer made by NGC <u>The Company</u> for Short Term Capacity in accordance with the terms of Paragraphs 6.32.4.6 and 6.32.6.1 in response to an LDTEC Request ;
"LDTEC Charge"	being a component of the Use of System Charges which is made or levied by NGC <u>The Company</u> and to be paid by the User , in the case of an accepted LDTEC Block Offer , for Block LDTEC and in the case of an accepted LDTEC Indicative Block Offer for Requested LDTEC and in the case of an accepted Temporary TEC Exchange Rate Offer for Temporary Received TEC , in each case calculated in accordance with the Charging Statements ;
"LDTEC Indicative Block Offer"	is an offer made by NGC <u>The Company</u> for Short Term Capacity in accordance with the terms of Paragraphs 6.32.6.4 and 6.32.6.2 in response to an LDTEC Request ;
"LDTEC Indicative Profile"	is a profile in MW that indicates NGC's <u>The Company's</u> assessment of the MW capacity that may be available to a User for the LDTEC Period which has been prepared solely for the purpose of enabling a User to make its assessment of an LDTEC Indicative Block Offer ;
"LDTEC Offer"	is an LDTEC Block Offer and/or an LDTEC Indicative Offer ;
"LDTEC Period"	is, (a) a period of weeks or part thereof within a Financial Year as specified by the User in its LDTEC Request Form for a minimum period of seven weeks commencing on a Monday at 0.00 hours and finishing at 23.59 on any given day no later than the last day of such Financial Year , or

(b) in the case of ~~a n~~ an accepted **Temporary TEC Exchange Offer**, the **Temporary TEC Exchange Period**;

"LDTEC Profile"

is a profile in MW of ~~NGC's~~ The Company's assessment of the MW capacity that is available to a **User** for the **LDTEC Period** (not exceeding the maximum level in the **LDTEC Request**) in an **LDTEC Block Offer**;

"LDTEC Request"

is an application made by a user for an **LDTEC Block Offer** and/or an **LDTEC Indicative Block Offer** made using an **LDTEC Request Form**;

"LDTEC Request Fee"

the fee to be paid by the **User** to ~~NGC~~ The Company for an **LDTEC Request** as detailed in the **Charging Statements**;

"LDTEC Request Form"

is the form set out in Exhibit S to the **CUSC**;

"LDTEC Week"

is a week or part thereof within an **LDTEC Period** commencing on Monday at 0.00 and finishing on 23:59 on the last day within such week;

"Leading"

in relation to **Reactive Power**, importing Mvar;

"Legal Challenge"

an appeal to the Competition Commission or a judicial review in respect of the **Authority's** decision to approve or not to approve ~~an~~ a **CUSC Modification Proposal**;

"Less than 100MW"

Is defined as not having the capability to export 100MW to the **Total System**;

"Letter of Credit"

(a) in respect of Paragraph 2.22 shall mean an irrevocable standby letter of credit in a form reasonably satisfactory to **The Company** but in any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to **The Company** and allowing for partial drawings and providing for the payment to **The Company** on demand forthwith on and against **The Company's** delivery to the issuer thereof of a **Notice of Drawing** of the amount demanded therein;

(b) in all other cases shall mean an unconditional irrevocable standby letter of credit in such form as **The Company** may reasonably approve issued for the account of the **User** in sterling in favour of **The**

Company, allowing for partial drawings and providing for the payment to **The Company** forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long term debt rating of not less than single "A" by Standard and Poor's Corporation or by Moody's Investors Services, or such other bank as **The Company** may approve and which shall be available for payment at a branch of the issuing bank;

"Licence"	any licence granted pursuant to Section 6 of the Act ;
"Licence Standards"	the standards to be met by The Company under Standard Condition C17 of the Transmission Licence ;
"Licensable Generation"	generating plant that is not Exemptible Generation ;
"Liquidated Damages"	in relation to a particular User , as defined in its Construction Agreement ;
"Local Safety Instructions"	as defined in the Grid Code ;
"MCUSA"	the Master Connection and Use of System Agreement dated 30 March 1990 (now amended to become the CUSC Framework Agreement);
"Main Business"	any business of The Company or any of its subsidiaries as at the Transfer Date or which it is required to carry on under the Transmission Licence , other than the Generation Business ;
"Main Business Person"	any employee of The Company or any director or employee of its subsidiaries who is engaged solely in the Main Business and " Main Business Personnel " shall be construed accordingly;
"Main System Circuits"	means Transmission Circuits but excluding a Grid Supply Point transformer;
"Maintenance Reconciliation Statement"	the statement prepared in accordance with Paragraph 2.14.5 and Paragraph 9.9.5;
"Mandatory Ancillary Services"	Part 1 System Ancillary Services ;
"Mandatory Services Agreement"	an agreement between The Company and a User to govern the provision of and payment for Mandatory Ancillary Services or to govern the payment by The Company to a User for Obligatory Reactive Power Service provided by an Offshore Transmission Licensee in

	accordance with the STC ;
"Market Agreement"	as defined in Paragraph 3.1 of Schedule 3, Part I;
"Market Day"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Material Effect"	an effect causing The Company or a Relevant Transmission Licensee to effect any works or to alter the manner of operation of Transmission Plant and/or Transmission Apparatus at the Connection Site or the site of connection or a User to effect any works or to alter the manner of operation of its Plant and/or Apparatus at the Connection Site or the site of connection which in either case involves that party in expenditure of more than £10,000;
"Materially Affected Party"	any person or class of persons designated by the Authority as such, in relation to the Charging Methodologies ;
"Maximum Export Capacity"	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Maximum Export Limit"	as defined in the Grid Code ;
"Maximum Generation"	means a Balancing Service provided from the Available BM Units by generating at a level above the MEL so as to increase the total export of Active Power from the Power Station to the National Electricity Transmission System , contributing towards The Company's requirement for additional short-term generation output, all as more particularly described in Paragraph 4.2;
"Maximum Generation BM Unit"	means, as between The Company and a User, the BM Units, specified in the Maximum Generation Service Agreement ;
"Maximum Generation Energy Fee"	the amount (£/MWh) set out in the Maximum Generation Service Agreement as the same may be revised from time to time in accordance with Paragraph 4.2.5;
"Maximum Generation Energy Payment"	has the meaning attributed to it in Paragraph 4.2.5.1;
"Maximum Generation Instruction"	has the meaning attributed to it in Paragraph 4.2.4.1;
"Maximum Generation Redeclaration"	has the meaning attributed to it in Paragraph 4.2.3.3;
"Maximum Generation Service"	an agreement between The Company and a

Agreement"	User specifying, amongst other things, the BM Units and the Maximum Generation Energy Fee applicable to the provision of Maximum Generation ;
"Maximum Import Capacity"	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Medium Power Station"	as defined in the Grid Code ;
"Meters"	as defined in the Balancing and Settlement Code ;
"Metering Equipment"	as defined in the Balancing and Settlement Code ;
"Meter Operator Agent"	as defined in the Balancing and Settlement Code ;
"Metering System"	as defined in the Balancing and Settlement Code ;
"Methodology"	the Statement of the Use of System Charging Methodology or the Statement of the Connection Charging Methodology (and "Methodologies" shall be construed accordingly);
"Minimum TEC Reduction Notice Period"	means 5 Business Days prior to 31 March in any Financial Year ;
"MITS Connection Works"	means those Transmission Reinforcement Works (inclusive of substation works) that are required from the Connection Site to connect to a MITS Substation (and in the context of an Embedded Power Station , "connection site" shall mean the associated Grid Supply Point identified as such in the relevant Bilateral Agreement);
"MITS Substation"	means (in the context of the definition of MITS Connection Works , a Transmission substation with more than 4 Main System Circuits connecting at that substation);
"Mode A Frequency Response"	as defined in Paragraph 4.1.3.3;
"Modification"	any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a User or The Company to either the User's Plant or Apparatus or the manner of its operation or Transmission Plant or Transmission Apparatus or the manner of its operation which in either case has or may have a Material Effect on another CUSC Party at a particular

	Connection Site;
"Modification Affected User"	as defined in Paragraph 6.9.3.2;
"Modification Application"	an application in the form or substantially in the form set out in Exhibit I to the CUSC ;
"Modification Notification"	a notification in the form or substantially in the form set out in Exhibit K to the CUSC ;
"Modification Offer"	an offer in the form or substantially in the form set out in Exhibit J to the CUSC , including any revision or extension of such offer;
"National Consumer Council"	the body of that name established by Part I, section 1 of the Consumers, Estate Agents and Redress Act 2007'.
"National Electricity Transmission System" or "NETS"	the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and Offshore and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain and Offshore in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"National Electricity Transmission System SQSS" or "NETS SQSS"	is the National Electricity Transmission System Security and Quality of Supply Standards (version 1) issued under Standard Condition C17 of the Transmission Licence (as amended, varied or replaced from time to time);
"Natural Demand"	the Demand (Active Power) which is necessary to meet the needs of Customers excluding that Demand (Active Power) met by Embedded Generating Units whose generation is not traded by Trading Parties through Energy Metering Systems registered under the Balancing and Settlement Code ;
"Net Asset Value"	the Gross Asset Value of the Transmission Connection Asset in question less depreciation over the Replacement Period calculated in accordance with recognised accounting principles and procedures;
"New Connection Site"	a proposed Connection Site in relation to which there is no Bilateral Agreement in force between the CUSC Parties ;
"New CUSC Party"	as defined in Paragraph 6.13;

"Net Demand"	Sum of the BM Unit Metered Volumes (QM _{ij}) of the Trading Unit during the three Settlement Periods of the Triad expressed as a positive number (i.e. $\sum QM_{ij}$);
"NGC Prescribed Level"	the forecast value of the regulatory asset value of NGC for a Financial Year as set out in the document published from time to time by Ofgem setting this out and currently know as "Ofgem's Transmission Price Control Review of NGC – Transmission Owner Final Proposals" such values to be published on the NGC Website by reference to the NGC credit arrangements no later than 31 January prior to the beginning of the Financial Year to which such value relates;
"NHH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 2 of Section 3 , Appendix 2;
"NHH Charges"	that element of Transmission Network Use of System Demand Charges relating to non-half-hourly metered Demand ;
"NHH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.4;
"NHH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed NHH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company ;
"Nominated Registered Capacity"	as defined in Appendix 5 of Schedule 3, Part I;
"Non- Performing Party"	as defined in Paragraph 6.19;
"Non-Embedded Customer"	a Customer except for a Public Distribution System Operator receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
"Non-Embedded User"	A User , except for a Public Distribution System Operator , receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
"Non Standard Boundary"	where the division of ownership of Plant and Apparatus is contrary to the principles of ownership set out in CUSC Paragraph 2.12;
"Non-Synchronous Generating Unit"	as defined in the Grid Code .
"Notice of Drawing"	a notice of drawing signed by or on behalf of The Company substantially in the form set out in Exhibit N to the CUSC ;
<u>"Notification Date"</u>	<u>as defined in the Balancing and Settlement</u>

<u>Code:</u>	
"Notification Date"	as defined in the Balancing and Settlement Code;
"Notification of Circuit Outage"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Notification of Circuit Restriction"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;
"Notification of Restrictions on Availability"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;
<u>"Notification of Circuit Restriction"</u>	<u>as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;</u>
<u>"Notification of Restrictions on Availability"</u>	<u>as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;</u>
"Notification of ET Restrictions on Availability"	as defined in the relevant Bilateral Connection Agreement ;
"Notional Amount"	as defined in Paragraph 3.13;
"Nuclear Generator"	as defined in Paragraph 6.11;
"Nuclear Site Licence Provisions Agreement"	shall mean each of the following agreements (as from time to time amended) (a) the agreement between The Company and Magnox Electric plc (formally called Nuclear Electric plc) dated 30 March 1990, (b) the agreement between The Company and British Energy Generation Limited dated 31 March 1996, (c) the agreement between SP Transmission Limited and British Energy Generation (UK) Limited dated 29 May 1991 in relation to Hunterston power station and Torness power station, and (d) the agreement between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station;
"Obligatory Reactive Power Service"	as defined in Paragraph 1.1 of Schedule 3, Part I or provided by an Offshore Transmission Licensee in accordance with the STC ;
"Offer"	an offer for connection to and/or use of the National Electricity Transmission System made by The Company in relation to the CUSC ;
	In the context of the Charging Methodologies

	it shall have the meaning as defined in the BSC;
"Offshore"	means wholly or partly in the Offshore Waters and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;
"Offshore Construction Works"	In relation to a particular User means those elements of the Construction Works to be undertaken by an Offshore Transmission Licensee on the Offshore Transmission System as defined in its Construction Agreement ;
"Offshore Grid Entry Point"	as defined in the Grid Code ;
"Offshore Platform"	a single structure comprising of Plant and Apparatus located Offshore which includes one or more Offshore Grid Entry Points ;
"Offshore Standard Design"	is a connection design (which provides for connection to the National Electricity Transmission System) of a Connection Site located Offshore which satisfies the minimum deterministic criteria detailed in paragraphs 7.7 to 7.19 of the NETS SQSS but does not satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the NETS SQSS ;
"Offshore Tender Process"	that process followed by the Authority to make, in prescribed cases, a determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
"Offshore Tender Regulations"	those regulations made by the Authority in accordance with section 6C of the Act to facilitate the determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
"Offshore Transmission"	means as defined in the Energy Act 2004;
"Offshore Transmission Implementation Plan"	as defined in the Transmission Licence ;
"Offshore Transmission Licensee"	means such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner standard conditions) of such Licence have been given effect or any person in that prospective role;
"Offshore Transmission Owner"	means either (a) such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner

	standard conditions) of such Licence have been given effect; or (b) a party who has acceded to the STC prior to the grant of a Licence referred to in (a) above as a requirement of the Offshore Tender Regulations ;
"Offshore Transmission Reinforcement Works"	in relation to a particular User , as defined in its Construction Agreement ;
"Offshore Transmission System"	a part of the National Electricity Transmission System used (or to be used) for the purposes of Offshore Transmission and for which there is (or where the OTSDUW Arrangements apply, will be) an Offshore Transmission Licensee ;
"Offshore Transmission System Development User Works" or "OTSDUW"	in relation to a particular User where the OTSDUW Arrangements apply, means those activities and/or works for the design, planning, consenting and/or construction and installation of the Offshore Transmission System to be undertaken by the User as identified in Part 2 of Appendix I of the relevant Construction Agreement ;
"Offshore Transmission System User Assets" or "OTSUA"	in relation to a particular User , any Plant and Apparatus resulting from the OTSDUW that once transferred to the Relevant Transmission Licensee will form the Offshore Transmission System to which the User's Equipment is to be connected at the Connection Site , as identified in its Construction Agreement ;
"Offshore Waters"	has the meaning given to "offshore waters" in Section 90(9) of the Energy Act 2004;
"Offtaking"	as defined in the Balancing and Settlement Code ;
"One Off Charge"	the costs, including profits and overheads of carrying out the One Off Works , together with the Net Asset Value of any asset made redundant as a result of the Construction Works an estimate of which is specified in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement ;
"One Off Works"	the works described in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement ;
"Onshore"	means within Great Britain and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;

Onshore Transmission System	the part of of the National Electricity Transmission System which is not an Offshore Transmission System ;
“Onshore Construction Works”	in relation to a particular User , means those elements of the Construction Works to be undertaken other than on the Offshore Transmission System as defined in its Construction Agreement ;
“Onshore Transmission Reinforcement Works”	in relation to a particular User , as defined in its Construction Agreement ;
“Operating Agreement(s)”	the operating agreements or arrangements identified in the Bilateral Connection Agreement between The Company and the Interconnector Owner of the relevant Interconnector and made between either The Company and the relevant Interconnector Owner and/or The Company and the relevant Interconnected System Operator ;
“Operating Code” or “OC”	the portion of the Grid Code which is identified as the Operating Code ;
“Operation Diagrams”	as defined in the Grid Code ;
“Operational”	in relation to a Connection Site means that the same has been Commissioned (which for the avoidance of doubt does not necessarily include commissioning of Generating Units connected at the Connection Site) and that the User can use such User’s Equipment to undertake those acts and things capable of being undertaken by BSC Parties ;
“Operational Date”	the date on which The Company issues the Operational Notification ;
“Operational Effect”	any effect on the operation of any System which causes that System to operate (or be at a materially increased risk of operating) differently to the way in which it would have normally operated in the absence of that effect;
“Operational Intertripping”	the automatic tripping of circuit breakers to prevent abnormal system conditions occurring, such as over voltage, overload, system instability etc. after the tripping of other circuit breakers following power system fault(s) which includes System to Power Station and System to Demand intertripping schemes;
“Operational Metering Equipment”	meters, instrument transformers (both voltage and current), transducers, metering protection equipment including alarms circuitry and their associated outstations as may be necessary for

	the purpose of CC.6.5.6 of the Grid Code and the corresponding provision of the relevant Distribution Code ;
"Operational Notification"	the notice of that name given to the User by The Company under Paragraphs 1.5.5 or 3.2.6 as appropriate;
"Original Party"	as defined in the CUSC Framework Agreement ;
"Other Dispute"	as defined in Paragraph 7.2.3;
"Other Party"	as defined in Paragraph 7.5.1;
"Other User"	as defined in Paragraph 6.10.3;
"OTSDUW Arrangements"	the arrangements whereby certain or all aspects of the design, planning and consenting and/or, construction and installation of assets that are to comprise an Offshore Transmission System are capable of being undertaken by a User ;
"OTSUA Transfer Time"	the time and date at which the OTSUA are transferred by the relevant User to an Offshore Transmission Licensee ;
"Output"	the actual Active Power or Reactive Power output achieved by a BM Unit ;
"Output Useable"	Shall <u>shall</u> have the meaning given to that term in the Grid Code ;
"Panel Chairman"	a person appointed as such in accordance with Paragraph 8.4.1;
"Panel Member"	any of the persons listed in Paragraph 8.3.1(b);
"Panel Member Interim Vacancies"	as defined in Paragraph 8A.4.3.3;
"Panel Secretary"	a person appointed as such in accordance with Paragraph 8.3.1(c);
"Part 1 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Part 2 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Partial Shutdown "	as defined in the Grid Code ;
"Party Liable"	as defined in Paragraph 6.12.1;
"Payment Date"	as defined in the Balancing and Settlement Code ;
"Payment Record Sum"	the proportion of the Unsecured Credit Cover extended by NGC <u>The Company</u> to a User who does meeting the Approved Credit Rating calculated in accordance with Paragraph 3.26.4

and 3.26.5;

"Pending CUSC Modification Proposal"

a **CUSC Modification Proposal** in respect of which, at the relevant time, the **Authority** has not yet made a decision as to whether to direct such **Proposed CUSC Modification** to be made pursuant to the **Transmission Licence** (whether or not a **CUSC Modification Report** has been submitted in respect of such **CUSC Modification Proposal**);

"Performance Bond"

an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to **The Company** but in any case allowing for partial drawings and providing for the payment to **The Company** on demand forthwith on and against **The Company's** delivery to the issuer thereof of a **Notice of Drawing** of the amount demanded therein;

"Permitted Activities"

activities carried on for the purposes of the **Main Business**;

"Physical Notification"

as defined in the **Balancing and Settlement Code**;

"Planned Outage"

as defined in the **Grid Code**;

"Planning Code" or PC

that portion of the **Grid Code** which is identified as the **Planning Code**;

"Plant"

fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than **Apparatus**;

"Pool Member"

as defined in the **Balancing and Settlement Code**;

"Pooling and Settlement Agreement"

as defined in the **Balancing and Settlement Code**;

"Power Park Module"

as defined in the **Grid Code**;

"Power Park Unit"

as defined in the **Grid Code**;

"Power Station"

as defined in the **Grid Code**;

"Practical Completion Date"

in relation to a particular **User**, as defined in its **Construction Agreement**;

"Preference Votes"

as defined in Paragraph 8A.3.2.1;

"Prescribed Rate"

the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (interest)

Act 1998;

"Primary Response"	<u>as defined in the Grid Code;</u>
"Proceedings"	as defined in Paragraph 6.23.1;
"Production"	as defined in the Balancing and Settlement Code in relation to a Production BM Unit;
"Progress Report"	as defined in Paragraph 8.14;
"Primary Response"	as defined in the Grid Code;
"Proposed Implementation Date"	the proposed date(s) for the implementation of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification such date(s) to be either (i) described by reference to a specified period after a direction from the Authority approving the CUSC Modification Proposal or Workgroup Alternative CUSC Modification or (ii) a Fixed Proposed Implementation Date ;
"Proposer"	in relation to a particular CUSC Modification Proposal , the person who makes such CUSC Modification Proposal ;
"Protected Information"	any information relating to the affairs of a CUSC Party which is furnished to Business Personnel pursuant to the CUSC or a Bilateral Agreement or a Mandatory Services Agreement or a Construction Agreement or pursuant to a direction under section 34 of the Act or pursuant to the provisions of the Fuel Security Code unless, prior to such information being furnished, such CUSC Party has informed the recipient thereof by notice in writing or by endorsement on such information, that the said information is not to be regarded as Protected Information ;
"Provisional Statement"	as defined in Paragraph 4.3.2.1(a);
"Provisional Monthly Statement"	as defined in Paragraph 4.3.2.1;
"Provisional Adjustments Statement"	as defined in Paragraph 4.3.2.1(b);
"Public Distribution System Operator"	a holder of a Distribution Licence who was the holder, or is a successor to a company which was the holder of a Public Electricity Supply Licence relating to distribution activities in Great Britain on the CUSC Implementation Date ;
"Public Electricity Supply Licence"	a licence issued under section 6(1)(c) of the Act prior to the coming in force of section 30 of the Utilities Act 2000 ;

"Qualified Bank" or "Qualifying Bank" a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the **Performance Bond** or **Letter of Credit** it issues in favour of **The Company**, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any similar credit surveillance which gives **The Company** reasonable cause to doubt that such bank may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives **The Company** reasonable cause to have such doubt;

"Qualified Company" or "Qualifying Company" a company which is a public company or a private company within the meaning of section 1(3) of the Companies Act 1985 and which is either :

(a) a shareholder of the User or any holding company of such shareholder-or

(b) any subsidiary of any such holding company, but only where the subsidiary

(i) demonstrates to The Company's satisfaction that it has power under its constitution to give a Performance Bond other than in respect of its subsidiary;

(ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the Performance Bond is likely to promote the success of that subsidiary for the benefit of its members;

(iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding company of the User, of the giving of the Performance Bond,

(the expressions "holding company" and "subsidiary" having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the Performance Bond it gives in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating or such lesser rating which The Company may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board

of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives The Company reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the Performance Bond and no other event has occurred which gives The Company reasonable cause to have such doubt;

"Qualifying Guarantee"

a guarantee in favour of **The Company** in a form proposed by the **User** and agreed by **The Company** (whose agreement shall not be unreasonably withheld or delayed) and which is provided by an entity which holds an **Approved Credit Rating** provided that such guarantee cannot secure a sum greater than the level of **User's Allowed Credit** that would be available to that entity in accordance with Paragraph 3.26 if it was a User;

"Rated MW"

as defined in the **Grid Code**;

"Reactive Despatch Instruction"

an instruction relating to **Reactive Power** given by **The Company** to a **Generator** in accordance with **Grid Code BC2**;

"Reactive Despatch Network Restriction"

as defined in the **Grid Code**;

"Reactive Energy"

as defined in the **Balancing and Settlement Code**;

"Reactive Power"

the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e.:- 1000 Var = 1Kvar

$$1000 \text{ Kvar} = 1\text{Mvar};$$

"Reactive Test"

a test conducted pursuant to **Grid Code OC 5.5.1**;

"Reasonable Charges"

reasonable cost reflective charges comparable to charges for similar services obtainable in the open market;

"Reconciled Charge"

as defined in Paragraph 3.15.1 and like terms shall be construed accordingly;

"Reconciliation Settlement Run"

as defined in the **Balancing and Settlement Code**;

"Reenergisation" or "Reenergised"

any **Energisation** after a **Deenergisation**;

"Registered Capacity"	has the meaning given in the Grid Code ;
"Registered Data"	those items of Standard Planning Data and Detailed Planning Data which upon connection become fixed (subject to any subsequent changes);
"Registrant"	as defined in the Balancing and Settlement Code ;
"Regulations"	the Electricity Supply Regulations 1988 or any amendment or re-enactment thereof;
"Rejected CUSC Modification Proposal"	a CUSC Modification Proposal in respect of which the Authority has decided not to direct The Company to modify the Code pursuant to the Transmission Licence in the manner set out herein;
<u>"Related Person"</u>	<u>means, in relation to an individual, any member of his immediate family, his employer (and any former employer of his within the previous 12 months), any partner with whom he is in partnership, and any company or Affiliate of a company in which he or any member of his immediate family controls more than 20% of the voting rights in respect of the shares of the company;</u>
"Related Undertaking"	in relation to The Company (and for the purposes of Paragraph 6.15, a User) means any undertaking in which The Company has a participating interest as defined by section 260(1) of the Companies Act 1985 as substituted by section 22 of the Companies Act 1989;
"Release Date"	as defined in Paragraph 2.22.2;
"Relevant Embedded Medium Power Station"	an Embedded Medium Power Station which is an Exempt Power Station , and does not intend to be the subject of a Bilateral Agreement ;
"Relevant Embedded Small Power Station"	an Embedded Small Power Station that the User who owns or operates the Distribution System to which the Embedded Small Power Station intends to connect reasonably believes may have a significant system effect on the National Electricity Transmission System ;
"Relevant Interruption"	an Interruption other than an Allowed Interruption ;
"Relevant Offshore Agreement"	as defined in the Transmission Licence ;

"Relevant Party"	as defined in Paragraph 8.16.10(a);
"Relevant Transmission Licensee"	means SP Transmission Limited in south of Scotland, Scottish Hydro- Electric Transmission Limited in north of Scotland and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System;
"Remote Transmission Assets"	any Plant and Apparatus or meters owned by The Company which (a) are embedded in a Distribution System or a User System and which are not directly connected by Plant and/or Apparatus owned by The Company to a sub-station owned by The Company and (b) are by agreement between The Company and such Public Distribution System Operator or User under the direction and control of such Public Distribution System Operator or User ;
"Replacement Period"	<p>in relation to a Transmission Connection Asset, the period commencing on the date on which such Transmission Connection Asset is or was originally Commissioned, after which it is assumed for accounting purposes such Transmission Connection Asset will need to be replaced, which shall be 40 years except</p> <p>(a) in the case of Transmission Connection Assets located Offshore where it shall be 20 years, or</p> <p>unless otherwise agreed between the CUSC Parties to a Bilateral Agreement and recorded in the relevant Bilateral Agreement;</p>
"Reported Period(s) of Increase"	the period of time during which a User's Demand increased not being more than 20 Business Days , as notified to The Company under paragraph 3.22.7 or paragraph 3.22.8;
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the CUSC ;
"Request for a STTEC Authorisation"	a request made by a User in accordance with the terms Paragraph 6.31 for Short Term Capacity for a STTEC Period ;
"Requested LDTEC"	the figure in MW for the LDTEC Period (not exceeding the maximum level in the LDTEC Request) specified in the User's acceptance of the LDTEC Indicative Block Offer in accordance with paragraph 6.32.6.5;
"Required Amount"	as defined in Paragraph 2.21.2(c);
"Required Sovereign Credit Rating"	a long term debt rating of not less than A by Standard and Poor's Corporation or a rating not

less than A2 by Moody's Investor Services or a short term rating which correlates to those long term ratings or an equivalent rating from any other reputable credit agency approved by **The Company** in respect of non local currency obligations;

"Required Standard"

in relation to an item of **Derogated Plant**, the respective standard required of that item (which shall not exceed that required by the **Grid Code** or the **Licence Standards**, as the case may be) as specified in or pursuant to the relevant **Derogation**;

"Requirements"

shall mean an entity who throughout the validity period of the **Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement**:

- (a) holds a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such entity is not during such validity period put on any credit watch or any similar credit surveillance which gives **The Company** reasonable cause to doubt that such entity may not be able to retain the aforesaid rating throughout the validity period; and
- (b) the country of residence of such entity meets the **Required Sovereign Credit Rating**; and
- (c) the security provided is **Enforceable**; and
- (d) there are no material conditions preventing the exercise by **The Company** of its rights under the **Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement**;

"Resigning Alternate Member"

As as defined in Paragraph 8A.4.1.3;

"Resigning Panel Member"

as defined in Paragraph 8A.4.1;

"Response"

Primary Response, Secondary Response and High Frequency Response or any of them as the case may be;

"Response Energy Payment"

that component of the payment for Mode A **Frequency Response** calculated in accordance with Paragraph 4.1.3.9A;

"Restricted Export Level Payment"

in respect of each Restricted Export Level Period, the payment for each day comprised within the Restricted Export Level Period or

(where the Restricted Export Level Period starts or ends during a day) part of a day calculated as follows:

The higher of:

A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system Transmission Entry Capacity, in each case using figures for the Financial Year prior to that in which the System to Generator Operational Intertripping Scheme trips, this is then divided by 365 to give a daily £ per MW rate; or

B. the actual £ per MW of the User (who requests in accordance with Clause 4.2A.4) by reference to the tariff in the Use of System Charging Statement for the Financial Year in which the System to Generator Operational Intertripping Scheme trips divided by 365 to give a daily £ per MW rate.

A or B are then multiplied by:

the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the Restricted MW Export Level;

"Restricted Export Level Period"

as defined in Paragraph 4.2A.4(b)(ii);

"Restricted MW Export Level"

as defined in Paragraph 4.2A.2.1(c)(i);

"Restrictions on Availability"

is, in the context of a **Design Variation** or an **Offshore Connection**, the outage or reduction in capability as set out in the relevant **Notification of Restrictions on Availability**;

"Retail Price Index"

the general index of retail prices published by the Office for National Statistics each month in respect of all items or:

(a) if the said index for any month in any year shall not have been published on or before the last day of the third month after such month such index for such month or months as the parties hereto agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the last day of such three month period then as determined by a sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who

shall act as an expert and whose decision shall be final and binding on the parties; or

- (b) if there is a material change in the basis of the said index, such other index as the parties agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the occurrence of the material change in the basis of the said index then as determined by the sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who shall act as an expert and whose decision shall be final and binding on the parties;

"Revised Indicative Annual HH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 5 7 ₄ ;
"Revised Indicative Annual NHH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 8 7 ₄ ;
"Revised Proposed Implementation Date"	the revision to a Fixed Proposed Implementation Date recommended to the Authority by the CUSC Modifications Panel pursuant to CUSC Paragraph 8.23.9.4;
"Safety Coordinator(s)"	a person or persons nominated by The Company and each User in relation to Connection Points (as defined in the Grid Code) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points in Scotland or Offshore to be responsible for the co-ordination of Safety Precautions (as defined in the Grid Code) at each Connection Point when work and/or testing is to be carried out on a system which necessitates the provision of Safety Precautions on HV Apparatus , pursuant to OC8;
"Safety Rules"	the rules of The Company , a Relevant Transmission Licensee or a User that seek to ensure that persons working on Plant and/or Apparatus to which the rules apply are safeguarded from hazards arising from the System ;
"Second Offer"	as defined in Paragraph 6.10.4;
"Secondary Response"	as defined in the Grid Code ;

"Secretary of State"	has the meaning given to that term in the Act ;
"Secured Amount Statement"	a statement accompanying the Bi-annual Estimate setting out the amount to be secured by the User under Paragraph 2.21 based on figures contained in the Bi-annual Estimate being the amount for which security shall be provided to The Company pursuant to that Paragraph such statement to be substantially in the form set out in Exhibit M to the CUSC ;
"Secured Event"	as defined in the Grid Code ;
"Security Amendment"	the Proposed Amendment in respect of Amendment Proposal 089\090\091 ;
"Security Amendment Implementation Date"	the Implementation Date of the Security Amendment ;
"Security Amount"	in respect of the User the aggregate of available amounts of each outstanding (a) Letter of Credit , (b) Qualifying Guarantee and (c) the principal amount (if any) of cash that the User has paid to the credit of the Escrow Account (and which has not been repaid to the User); for the purpose of this definition, in relation to a Letter of Credit or Qualifying Guarantee "available amount" means the face amount thereof less (i) payments already made thereunder and (ii) claims made thereunder but not yet paid;
"Security Cover"	for each User , the User's Security Requirement less the User's Allowed Credit ;
"Security Period"	the period from 1 April to 30 June (inclusive), 1 July to 30 September (inclusive), 1 October to 31 December (inclusive), or 1 January to 31 March (inclusive) as appropriate. ;
"Security and Quality of Supply Standard"	as defined in the Grid Code ;
"Security Requirement"	the aggregate amount for the time being which the User shall be required by NGC <u>The Company</u> to provide and maintain by way of Security Cover and its User's Allowed Credit in accordance with Paragraph 3.22;
"Security Standard"	the Security and Quality of Supply Standard ;
"Self-Governance Criteria"	a CUSC Modification Proposal that, if implemented, (a) is unlikely to have a material effect on: (i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

"Self-Governance Statement"

the statement made by the **CUSC Modifications Panel** and submitted to the **Authority**:

(a) confirming that, in its opinion, the **Self-Governance Criteria** are met and the **CUSC Modification Proposal** is suitable for the self-governance route; and

(b) providing a detailed explanation of the **CUSC Modification Panel**'s reasons for that opinion;

"Separate Business"

the **Transmission Business** taken separately from any other business of **The Company**, but so that where all or any part of such business is carried out by an **Affiliate** or **Related Undertaking** of **The Company** such part of the business as is carried out by that **Affiliate** or **Related Undertaking** shall be consolidated with any other such business of **The Company** (and of any other **Affiliate** or **Related Undertaking**) so as to form a single **Separate Business**;

"Settlement Administration Agent (SAA)"

as defined in the **Balancing and Settlement Code**;

"Settlement Day"

as defined in the **Balancing and Settlement Code**;

"Settlement Period"

as defined in the **Balancing and Settlement Code**;

"Settlement Run"

as defined in the **Balancing and Settlement Code**;

"Short Term Capacity"

the right to export on to the **National Electricity Transmission System** power in accordance with the provisions of **CUSC**;

“Significant Code Review”

a review of one or more matters which the **Authority** considers is likely to:

(a) relate to the **CUSC** (either on its own or in conjunction with other Industry Codes); and

(b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under EU law, and

concerning which the **Authority** has issued a notice to the **CUSC Parties** (among others, as appropriate) stating:

(i) that the review will constitute a significant code review;

(ii) the start date of the significant code review; and

(iii) the matters that will fall within the scope of the review;

“Significant Code Review Phase”

the period commencing on the start date of a **Significant Code Review** as stated in the noticed issued by the **Authority**, and ending either:

(a) on the date on which the **Authority** issues a statement that no directions will be issued in relation to the **CUSC**; or

(b) if no statement is made under (a), on the date on which **The Company** has made a **CUSC Modification Proposal** in accordance with Paragraph 8.17.56; or

(c) immediately, if neither a statement nor directions are issued by the **Authority** up to and including twenty eight (28) days from the **Authority**'s publication of its **Significant Code Review** conclusions;

"Site Common Drawings"

as defined in the **Grid Code**;

“Site Load”

the sum of the **BM Unit Metered Volumes** (QM_{ij}), expressed as a positive number, of **BM Units** within the **Trading Unit** with QM_i less than zero during the three **Settlement Periods** of the **Triad** (i.e. $\sum QM_{ij}$ where $QM_{ij} < 0$), which may comprise **Station Load** and **Additional Load**;

"Site Responsibility Schedule"

a schedule containing the information and prepared on the basis of the provisions set out in Appendix 1 of the **CC**;

"Site Specific Maintenance Charge"	the element of the Connection Charges relating to maintenance and repair calculated in accordance with the Connection Charging Methodology ;
"Site Specific Requirements"	those requirements reasonably required by The Company in accordance with the Grid Code at the site of connection of a Relevant Embedded Medium Power Station or a Relevant Embedded Small Power Station ;
"Small Independent Generating Plant"	a Medium Power Station ;
"Small Participant"	(a) a generator, supplier, distributor, or new entrants to the electricity market in Great Britain that can demonstrate to the Code Administrator that it is resource-constrained and, therefore in particular need of assistance; (b) any other participant or class of participant that the Code Administrator considers to be in particular need of assistance; and (c) a participant or class of participant that the Authority has notified to the Code Administrator as being in particular need of assistance;
"Small Power Station"	as defined in the Grid Code ;
"Small Power Station Trading Party"	a Trading Party trading on behalf of one or more Small Power Stations whether owned by the Trading Party or another person;
"SMRS"	as defined in the Balancing and Settlement Code ;
"Sole Trading Unit"	as defined in the Balancing and Settlement Code ;
"Standard CUSC Modification Proposal"	A CUSC Modification Proposal that is neither suitable for inclusion in <u>does not fall within the scope of a Significant Code Review subject to any direction by the Authority pursuant to Paragraphs 8.17.3 and 8.17.4,</u> nor meets the Self-Governance Criteria <u>subject to any direction by the Authority pursuant to Paragraph 8.25.4 and in accordance with any direction under Paragraph 8.25.2;</u>
"Statement of the Connection Charging Methodology"	the statement produced pursuant to and in accordance with Standard Condition C6 of the Transmission Licence , as modified from time to time;
"Statement of Use of System Charges"	the statement produced pursuant to and in accordance with Standard Condition C4 of the Transmission Licence , as modified from time

"Statement of the Use of System Charging Methodology"

to time;

the statement produced pursuant to Standard Condition C5 of the **Transmission Licence**, as modified from time to time;

"Station Demand"

in respect of any generating station and **Generator**, means that consumption of electricity (excluding any supply to any **Customer** of the relevant **Generator** who is neither such **Generator** nor a member of a qualifying group of which such **Generator** is a part) from the **National Electricity Transmission System** or a **Distribution System** at premises on the same site as such generating station, with premises being treated as on the same site as each other if they are:

- (i) the same premises;
- (ii) immediately adjoining each other;
- (iii) separated from each other only by road, railway or watercourse or by other premises (other than a pipe-line, electric line or similar structure) occupied by the consumer in question or by any other person who together with that consumer forms a qualifying group; and for the purpose of this definition "generating station" and "qualifying group" shall have the meanings given those expressions when used in the Electricity (Class Exemptions from the Requirement for a Licence) Order 1990;

"Station Load"

the **Station Load** is equal to the sum of the demand of **BM Units** solely comprising the **Station Transformers** within the **Power Station**. For the avoidance of doubt, **Station Load** excludes **BM Units** comprising **Additional Load**;

"Station Transformer"

has the meaning given in the **Grid Code**;

"Steam Unit"

a **Generating Unit** whose prime mover converts the heat energy in steam to mechanical energy;

"STC"

the **System Operator - Transmission Owner Code** entered into by **The Company** pursuant to the **Transmission Licence** as from time to time revised in accordance with the **Transmission Licence**;

"STTEC"

the figure in MW (if any) for the **STTEC Period** granted by **The Company** in accordance with Paragraph 6.31 of the **CUSC** and specified as

	such in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"STTEC Authorisation"	the authorisation notified by The Company for Short Term Capacity in accordance with the terms of Paragraph 6.3.1.6.1 in response to a Request for a STTEC Authorisation ;
"STTEC Charge"	being a component of the Use of System Charges which is made or levied by The Company and to be paid by the User for STTEC calculated in accordance with the Charging Statements ;
"STTEC Offer"	an offer made by The Company for Short Term Capacity in accordance with the terms of Paragraphs 6.31.6.2 and 6.31.6.3 in response to an Application for a STTEC Offer ;
"STTEC Period"	in the case of a STTEC Authorisation , a period of 28 days commencing on a Monday at 00.00 hours and finishing at 23.59 on a Sunday. In the case of a STTEC Offer , a period of either 28, 35, or 42 days (as specified by the User in its STTEC Request Form) commencing on a Monday at 0.00 hours and finishing at 23.59 on a Sunday;
"STTEC Request"	either a Request for a STTEC Authorisation or an Application for a STTEC Offer ;
"STTEC Request Fee"	the non-refundable fee to be paid by the User to The Company as detailed in the Charging Statements ;
"STTEC Request Form"	the form set out in Exhibit P to the CUSC ;
"Subsidiary"	has the meaning given to that term in section 736A of the Companies Act 1985;
"Supplemental Agreement"	an agreement entered into pursuant to clause 2 of the MCUSA ;
"Supplier"	a person who holds a Supply Licence ;
"Supply Agreement"	an agreement between a Non-Embedded Customer and a Supplier for the supply of electricity to the Non-Embedded Customer's Connection Site ;
"Supplier Half Hourly Demand"	means BM Unit Metered Volumes (QM_{ij}) expressed as a positive number (i.e. $\sum QM_{ij}$) of the Trading Unit during the three Settlement Periods of the Triad due to half-hourly metered imports;

"Supply Licence"	a licence granted under section 6(1)(d) of the Act ;
"Supplier Non Half-Hourly Demand"	means BM Metered Volumes (QM_{ij}) expressed as a positive number (i.e. $\sum QM_{ij}$) of the Trading Unit over the charging year between Settlement Periods 33 to 38 due to Non-half-hourly metered imports;
"Supplier Volume Allocation"	as defined in the Balancing and Settlement Code ;
"Synchronous Compensation"	the operation of rotating synchronous apparatus for the specific purpose of either generation or absorption of Reactive Power ;
"Synchronised"	the condition where an incoming BM Unit or CCGT Unit or System is connected to the busbars of another System so that the Frequencies and phase relationships of that BM Unit or CCGT Unit or the System , as the case may be, and the System to which it is connected are identical;
"System Ancillary Services"	Mandatory Ancillary Services and Part 2 System Ancillary Services ;
"System"	any User System or the National Electricity Transmission System as the case may be;
"System to Generator Operational Intertripping"	as defined in the Grid Code ;
"System to Generator Operational Intertripping Scheme"	as defined in the Grid Code ;
"System Operator – Transmission Owner Code or STC"	the STC entered into by The Company pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence;
"Target Frequency"	the Frequency determined by The Company in its reasonable opinion as the desired operating Frequency of the Total System . This will normally be 50.00 Hz plus or minus 0.05 Hz, except in exceptional circumstances as determined by The Company in its reasonable opinion. An example of exceptional circumstances may be difficulties caused in operating the System during disputes affecting fuel supplies;
"TEC Increase Request"	a request for an increase in Transmission Entry Capacity pursuant to CUSC paragraph 6.30.2 ³ ;
"TEC Reduction Charge"	means (a) in relation to positive zones, a sum equal to

the difference between the **Transmission Network Use of System Charges** due for the **Financial Year** in which reduction in **Transmission Entry Capacity** takes effect or termination occurs (as appropriate) and the **Transmission Network Use of System Charges** due for the **Financial Year** preceding the **Financial Year** in which the reduction in **Transmission Entry Capacity** takes effect or termination occurs (as appropriate); and

(b) in relation to negative zones, zero²;

"TEC Register"	the register set up by The Company pursuant to Paragraph 6.30.3.1 ² ;
"TEC Trade"	a trade between parties of their respective Transmission Entry Capacity ² ;
"Tendered Capability Breakpoints"	as defined in Paragraph 1.4 of Appendix 5 of Schedule 3, Part I;
"Temporary Donated TEC"	is the temporary MW reduction in the export rights of the Temporary TEC Exchange Donor User arising from acceptance of a Temporary TEC Exchange Offer ² ;
"Temporary Received TEC"	is at any time the Temporary TEC Exchange Rate ² ;
"Temporary TEC Exchange Donor User"	is a User that has jointly made a Temporary TEC Exchange Rate Request to reduce its rights to export for the duration of the Temporary TEC Exchange Period ² ;
"Temporary TEC Exchange Notification of Interest Form"	is the form set out in Exhibit X to the CUSC ² ;
"Temporary TEC Exchange Offer"	is an offer made by The Company for a Temporary TEC Exchange Rate in accordance with the terms of Paragraphs 6.34.4.6 ² ;
"Temporary TEC Exchange Period"	is a period within a Financial Year as specified in the Temporary TEC Exchange Rate Request Form being for a minimum of four weeks and commencing at 0.00 hours on a Monday and finishing at 23.59 on any given day no later than the last day of such Financial Year ² ;
"Temporary TEC Exchange Rate Request Fee"	is the single fee to be paid to The Company for a Temporary TEC Exchange Rate Request as detailed in the Charging Statements ² ;
"Temporary TEC Exchange Rate Request Form"	is the form set out in Exhibit W to the CUSC ² ;

"Temporary TEC Exchange Rate Request"	is a joint application made by a Temporary TEC Exchange Donor User and a Temporary TEC Exchange Recipient User for a Temporary TEC Exchange Rate Offer ;
"Temporary TEC Exchange Rate"	is a weekly profile of the additional export rights in MW available to the Temporary TEC Exchange Recipient User as a direct result of the temporary reduction in export rights in MW of the Temporary TEC Exchange Donor User ;
"Temporary TEC Exchange Recipient User"	is a User that has jointly made a Temporary TEC Exchange Rate Request to increase its rights to export for the duration of the Temporary TEC Exchange Period ;
"Temporary TEC Trade Exchange"	a trade made pursuant to CUSC Paragraph 6.34;
"Tenders"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Tenderers"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Tender Period"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Term"	without prejudice to the interpretation of Term in respect of Users acting in other capacities, for Users acting in respect of their Connection Sites which were not Commissioned at the Transfer Date , it means the term of the relevant Bilateral Connection Agreement commencing on the date of the Bilateral Connection Agreement and ending in accordance with Clause 9 of that agreement;
"Termination Amount"	in relation to a Connection Site , the amount calculated in accordance with the Charging Statements ;
"The Company"	National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH;
"The Company Credit Rating"	any one of the following:- <ul style="list-style-type: none"> (a) a credit rating for long term debt of A- and A3 respectively as set by Standard and Poor's or Moody's respectively; (b) an indicative long term private credit rating of A- and A3 respectively as set by Standard and Poor's or Moody's as the basis of issuing senior unsecured debt;

- (c) a short term rating by Standard and Poor's or Moody's which correlates to a long term rating of A- and A3 respectively; or
- (d) where the **User's Licence** issued under the Electricity Act 1989 (as amended by the Utilities Act 2000) requires that User to maintain a credit rating, the credit rating defined in that **User's Licence**;

"The Company's Engineering Charges"

the charges levied by **The Company** in relation to an application for connection and/or use of the **National Electricity Transmission System**;

"The Company Prescribed Level"

the forecast value of the regulatory asset value of **The Company** for a **Financial Year** as set out in the document published from time to time by Ofgem setting this out and currently know as "Ofgem's Transmission Price Control Review of The Company – Transmission Owner Final Proposals" such values to be published on **The Company Website** by reference to **The Company** credit arrangements no later than 31 January prior to the beginning of the **Financial Year** to which such value relates;

"Third Party Claim"

as defined in Paragraph 7.5.3;

"Third Party Works"

in relation to a particular **User** those works, defined as such in its **Construction Agreement**; being works undertaken on assets belonging to someone other than **The Company** or the **User** where such works are required by **The Company** to enable it to provide the connection to and/or use of the **National Electricity Transmission System** by the **User** or required as a consequence of connection to and/or use of the **National Electricity Transmission System** by the **User**;

"Total System"

the **National Electricity Transmission System** and all **User Systems** in **Great Britain** and **Offshore**;

"Total System Chargeable HH Demand"

the total of all half-hourly metered **Demands** for which **HH Charges** are paid, taken over a period of time which may or may not be that to which **HH Charges** relate;

"Total System Chargeable NHH Demand"

the total of all half-hourly metered **Demands** for which **NHH Charges** are paid, taken over a period of time which may or may not be that to which **NHH Charges** relate;

"Trading Party"

as defined in the **Balancing and Settlement**

	Code;
"Trading Unit"	as defined in the Balancing and Settlement Code ;
"Transfer Date"	"24.00" hours on 30th March 1990;
"Transfer Scheme"	schemes made under sections 65 and 66 of the Act and effected on the Transfer Date ;
"Transmission"	means, when used in conjunction with another term relating to equipment, whether defined or not, that the associated term is to be read as being part of or directly associated with the National Electricity Transmission System and not of or with the User System ;
"Transmission Business"	the authorised business of The Company or any Affiliate or Related Undertaking in the planning, development, construction and maintenance of the National Electricity Transmission System (whether or not pursuant to directions of the Secretary of State made under section 34 or 35 of the Act) and the operation of such system for the transmission of electricity, including any business in providing connections to the National Electricity Transmission System but shall not include (i) any other Separate Business or (ii) any other business (not being a Separate Business) of The Company or any Affiliate or Related Undertaking in the provision of services to or on behalf of any one or more persons;
"Transmission Charging Methodology Forum"	the charging methodology forum (and related arrangements) established to facilitate meetings between The Company and any other persons whose interests are materially affected by the applicable Charging Methodologies for the purpose of discussing the further development of the applicable Charging Methodologies ;
"Transmission Circuits"	as defined in the NETS SQSS ;
"Transmission Connection Assets"	the Transmission Plant and Transmission Apparatus necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in Appendix A to the Bilateral Connection Agreement relating to each such Connection Site ;
"Transmission Connection Asset Works"	in relation to a particular User , as defined in its Construction Agreement ;

"Transmission Entry Capacity"	the figure specified as such as set out in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Transmission Interface Point"	in the context of a Construction Agreement means the electrical point of connection between the Offshore Transmission System and an Onshore Transmission System as set out in the Offshore Works Assumptions .
"Transmission Interface Site"	the site at which the Transmission Interface Point is located;
"Transmission Licence"	the licence granted to The Company under section 6(1)(b) of the Act ;
"Transmission Licences"	the licences granted to The Company , SP Transmission Limited and Scottish Hydro Electric Transmission Limited under the Act ; <i>[Note: There is potential for confusion over the use of the singular to refer to The Company's licence and the plural to refer to all three licences and it may be helpful to distinguish between the two terms more clearly]</i>
"Transmission Licensees Assets"	The Plant and Apparatus owned by Transmission Licensees necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in [Appendix A] to the Bilateral Agreement relating to each such Connection Site
"Transmission Network Services"	as defined in the Transmission Licence ;
"Transmission Network Use of System Charges"	the element of Use of System Charges payable in respect of Transmission Network Services (including for the avoidance of doubt Transmission Network Use of System Demand Reconciliation Charges and ET Use of System Charges);
"Transmission Network Use of System Demand Charges"	that element of Transmission Network Use of System Charges relating to Demand ;
"Transmission Network Use of System Demand Zone"	each of the zones identified by The Company in the Charging Statements for charging of Transmission Network Use of System Charges in relation to Demand ;
"Transmission Network Use of System Demand Reconciliation Charges"	sums payable by the User to The Company under invoices issued to the User pursuant to Paragraph 3.12.7;

"Transmission Owner Activity"	The Function of the Transmission Licensees' Transmission Business as defined in the Transmission Licences;
"Transmission Related Agreement"	an agreement between The Company and a User substantially in the form of Schedule 2 Exhibit 5;
"Transmission Services Activity"	as defined in the Transmission Licence ;
"Transmission Services Use of System Charges"	the element of Use of System Charges payable in respect of the Transmission Services Activity ;
"Transmission Reinforcement Works"	in relation to a particular User , as defined in its Construction Agreement or BELLA as appropriate;
"Transmission Voltage"	In Scotland voltages of 132kV and above; in England and Wales voltages above 132kV – usually 275kV and 400kV;
"Transmission Works Register"	the register set up by The Company pursuant to Paragraph 6.36.1;
"Transmission Works"	in relation to a particular User , those works which are specified in Appendix H or identified as OTSDUW in to the relevant Construction Agreement ;
"Triad"	is used as a short hand way to describe the three Settlement Periods of highest transmission systems Demand , namely the half hour Settlement Period of system peak Demand and the two half hour Settlement Periods of next highest Demand , which are separated from the system peak Demand and from each other by at least 10 Clear Days , between November to February inclusive;
"Undertaking"	as defined in section 259 of the Companies Act 1985;
"Unsecured Credit Cover"	the maximum amount of unsecured credit available to each User for the purposes of Part III of Section 3 of the CUSC at any time which shall be a sum equal to 2% of the NGC <u>The Company Prescribed Level</u> in the relevant Financial Year ;
"Unusual Load Characteristics"	loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and industrial loads (including loads which vary considerably in duration or magnitude) :- <u>;</u>
"Urgent CUSC Modification Proposal"	an CUSC Modification Proposal treated or to be treated as an Urgent CUSC Modification

	Proposal in accordance with Paragraph 8.24;
"Use of System"	use of the National Electricity Transmission System for the transport of electricity by any Authorised Electricity Operator or Interconnector User or Interconnector Error Administrator ;
"Use of System Application"	an application for a Bilateral Embedded Generation Agreement or for Use of System in the form or substantially in the form set out in Exhibit D or F to the CUSC as appropriate;
"Use of System Charges"	charges made or levied or to be made or levied by The Company for the provision of services as part of the Transmission Business to any Authorised Electricity Operator as more fully described at Standard Condition C4 and C5 of the Transmission Licence and in the Bilateral Agreements and Section 3 and Section 9 Part II and as amended in accordance with Standard Condition C13 of the Transmission Licence but shall not include Connection Charges ;
"Use of System Charging Methodology"	as defined in the Transmission Licence and set out in Section x <u>14</u> ;
"Use of System Interconnector Confirmation Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator ;
"Use of System Interconnector Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator , in the form set out in Exhibit H to the CUSC ;
"Use of System Interconnector Offer Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company offers an Interconnector User or an Interconnector Error Administrator use of the National Electricity Transmission System ;
"Use of System Offer"	an offer (or in the case of a use of system generation offer and where appropriate, offers) made by The Company to a User pursuant to Paragraph 3.7 or 9.21 substantially in the form of Exhibit G (Use of System Supply Offer) or Exhibit E (Use of System Generation Offer) or Exhibit H (Use of System Interconnector Offer) to the CUSC ;

"Use of System Payment Date"	the date for payment of Use of System Charges ;
"Use of System Supply Confirmation Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by a Supplier ;
"Use of System Supply Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by a Supplier , in the form set out in Exhibit G to the CUSC ;
"Use of System Supply Offer Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company offers a Supplier use of the National Electricity Transmission System ;
"Use of System Termination Notice"	the notice to be given to terminate Use of System by a Supplier or an Interconnector User , or an Interconnector Error Administrator in accordance with the CUSC ;
"User"	a person who is a party to the CUSC Framework Agreement other than The Company ;
"User Development"	shall have the meaning set out in the Connection Application or the Use of System Application as the case may be;
"User's Allowed Credit"	that proportion of the Unsecured Credit Cover extended to a User by NGC <u>The Company</u> as calculated in accordance with Paragraph 3.26;
"User's Equipment"	the Plant and Apparatus owned by a User (ascertained in the absence of agreement to the contrary by reference to the rules set out in Paragraph 2.12) which: (a) is connected to the Transmission Connection Assets forming part of the National Electricity Transmission System at any particular Connection Site to which that User wishes so to connect, or (b) is connected to a Distribution System to which that User wishes so to connect but excluding for the avoidance of doubt any OTSUA ;
"User's Licence"	a User's licence to carry on its business granted pursuant to Section 6 of the Act ;
"User System"	any system owned or operated by a User comprising Generating Units and/or Distribution Systems (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other

than a **Public Distribution System Operator** and **Plant** and/or **Apparatus** connecting **Generating Units, Distribution Systems** (and/or other systems consisting wholly or mainly of electric lines which are owned or operated by a person other than a **Public Distribution System Operator** or **Non-Embedded Customers** to the **National Electricity Transmission System** or (except in the case of **Non-Embedded Customers**) to the relevant other **User System**, as the case may be, including any **Remote Transmission Assets** operated by such **User** or other person and any **Plant** and/or **Apparatus** and meters owned or operated by such **User** or other person in connection with the distribution of electricity but does not include any part of the **National Electricity Transmission System**;

"Utilities Act 2000"	Electricity Act 1989, as amended by the Utilities Act 2000
"Valid"	valid for payment to be made thereunder against delivery of a Notice of Drawing given within the period stated therein;
"Value Added Tax"	United Kingdom value added tax or any tax supplementing or replacing the same;
"Value At Risk Amendment"	the Proposed Amendment in respect of Amendment Proposal 127 ;
"Value At Risk Amendment Implementation Date"	the Implementation Date of the Value At Risk Amendment ;
"Value At Risk Amendment Implementation End Date"	the date one year following the Value At Risk Amendment Implementation Date ;
"Website"	the site established by The Company on the World-Wide Web for the exchange of information among CUSC Parties and other interested persons in accordance with such restrictions on access as may be determined from time to time by The Company ;
"Week"	means a period of seven Calendar Days commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;
"Weekly Maximum Generation Declaration"	has the meaning attributed to it in Paragraph 4.2.3.1;
"Wider Transmission Reinforcement Works"	(e) in relation to a particular User means those Transmission Reinforcement Works other than the Enabling Works and which are specified in the relevant Construction

Agreement;

"Workgroup"

a **Workgroup** established by the **CUSC Modifications Panel** pursuant to Paragraph 8.20.1;

"Workgroup Consultation"

~~As~~ as defined in Paragraph 8.20.10, and any further consultation which may be directed by the **CUSC Modifications Panel** pursuant to Paragraph 8.20.17;

~~"WG~~ Workgroup Consultation Alternative Request"

any request from a **CUSC Party**, a **BSC Party** or the **National Consumer Council** for a **Workgroup Alternative CUSC Modification** to be developed by the **Workgroup** expressed as such and which contains the information referred to at Paragraph 8.20.13. For the avoidance of doubt any **WG Consultation Alternative Request** does not constitute either a **CUSC Modification Proposal** or a **Workgroup Alternative CUSC Modification**; ~~[Note: This amendment should have been made pursuant to CAP180]~~

"Workgroup Alternative CUSC Modification"

~~An~~ an alternative modification to the **CUSC Modification Proposal** developed by the **Workgroup** under the **Workgroup** terms of reference (either as a result of a **Workgroup Consultation** or otherwise) and which is believed by a majority of the members of the **Workgroup** or by the chairman of the **Workgroup** to better facilitate the **Applicable CUSC Objectives** than the **CUSC Modification Proposal** or the current version of the **CUSC**;

END OF SECTION 11

Comparison Details	
Title	pdfDocs compareDocs Comparison Results
Date & Time	16/05/2011 16:13:54
Comparison Time	19.97 seconds
compareDocs version	v3.4.4.61

Sources	
Original Document	[#62011272] [v1] Section 11 baseline (31/1/11).doc
Modified Document	[#61722280] [v5] Section 11 Definitions baseline text.doc

Comparison Statistics	
Insertions	52
Deletions	33
Changes	126
Moves	0
TOTAL CHANGES	211

Word Rendering Set Markup Options	
Name	[Rendering Set Name]
<u>Insertions</u>	
Deletions	
<u>Moves</u> / Moves	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	[Formatting options]
Changed lines	[Changed lines options]
Comments color	[Comments color options]
Balloons	[Use Balloons option only]

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Formatting
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False