

CUSC Modification Proposal Form	CMP215
<p>Title of the CUSC Modification Proposal: <i>(mandatory by Proposer)</i> Removal of references to TNUoS charges for Interconnector BM Units and requirement to provide Security Cover for BSUoS</p>	
<p>Submission Date <i>(mandatory by Proposer)</i> 17th January 2013</p>	
<p>Description of the CUSC Modification Proposal <i>(mandatory by Proposer)</i></p> <p>These proposed changes aim to update Section 9 of the CUSC, Exhibit F 'The Connection and Use of System Code Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice'. The proposal will reflect the removal of the requirement to pay Transmission Network Use of System (TNUoS) charges for Interconnectors under GB ECM-26 in 2010 and the removal of Balancing Services Use of System (BSUoS) charges following the implementation of CMP202 in August 2012. Due to removal of both TNUoS and BSUoS charges, new Interconnector Users and Error Administrators are also no longer obligated to have an Approved Credit Rating or provide Security Cover for these charges.</p> <p>This Proposal aims to remove references to TNUoS charges for Interconnector BM Units in Section 9 of the CUSC and the requirement of Interconnector Users and Error Administrators to provide Security Cover in Exhibit F and Exhibit H.</p>	
<p>Description of Issue or Defect that CUSC Modification Proposal seeks to Address: <i>(mandatory by Proposer)</i></p> <p>Section 9 of the CUSC has not been revised since the implementation of GB ECM-26 and therefore still incorrectly references the requirement for Interconnector BM Units to pay TNUoS charges.</p> <p>CUSC Exhibit F 'Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice' both require a user to have an Approved Credit Rating or provide Security Cover which are no longer obligations for Interconnector Users and Error Administrators following the removal of TNUoS and BSUoS charges. This modification seeks to tidy up both Exhibits to make clear that an Approved Credit Rating or Security Cover are no longer required for new users for BSUoS charges and for new and existing users for TNUoS.</p> <p>BSUoS charges for Interconnectors will undergo final reconciliation in November 2013 and therefore cannot be removed from Section 9 until after this date. CMP216, a further proposal to remove references to BSUoS charges will run in conjunction with this modification for implementation in late 2013. For the avoidance of doubt, these modifications are not dependent upon one another.</p>	
<p>Impact on the CUSC <i>(this should be given where possible)</i></p> <p>Removal of section 9.10 Removal of references to TNUoS in:</p> <ul style="list-style-type: none"> • 9.22.3 • 9.22.4 <p>Contents page updated</p> <p>Subsequent numbering updated in Section 9</p> <p>Amendments to references in Section 11</p> <p>Removal of references to Security Cover in:</p> <ul style="list-style-type: none"> • Exhibit F - The Connection and Use of System Code Use of System Application 	

- Exhibit H - Use of System Interconnector Offer and Confirmation Notice

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No (mandatory by Proposer. Assessed in accordance with Authority Guidance – see guidance notes for website link)

No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information (this should be given where possible)

BSC

Grid Code

STC

Other
(please specify)

Urgency Recommended: Yes / No (optional by Proposer)

No

Justification for Urgency Recommendation (mandatory by Proposer if recommending progression as an Urgent Modification Proposal)

N/A

Self-Governance Recommended: Yes / No (mandatory by Proposer)

Yes

Justification for Self-Governance Recommendation (Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

The proposed changes within the CUSC will not have any material effect on CUSC parties as the obligations to provide Security Cover for these charges has already lapsed. The changes being proposed are to tidy up the CUSC in response to the implementation of GB ECM-26 and CMP202.

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? (Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)

Yes

Impact on Computer Systems and Processes used by CUSC Parties: (this should be given where possible)

N/A

Details of any Related Modification to Other Industry Codes (where known):

CMP216

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:
(mandatory by proposer)

Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

This modification will update the CUSC following the implementation of CMP202 and GB ECM-26 which will provide clarity for CUSC parties.

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission Ltd.
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Jenny Doherty National Grid 01926654648 Jennifer.doherty@nationalgrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Clark National Grid 01926 655223 Emma.clark2@nationalgrid.com

Attachments Yes:

If Yes, Title and No. of pages of each Attachment:

CMP202 Final Report

<http://www.nationalgrid.com/NR/ronlyres/CF15507C-9149-4170-85D5-B167D968D9BC/54879/FinalCUSCMODIFICATIONREPORT10.pdf>

GB ECM-26 Report

<http://www.nationalgrid.com/NR/ronlyres/52B5CF91-9AE1-467D-9BE1-3620149FA895/42993/GBECM26CONSULTATIONAUTHORITYREPORTFINAL.PDF>

Proposed Legal Text:

Section 9, Paragraphs 9.10, 9.22.3 and 9.22.4

Exhibit F - The Connection and Use of System Code Use of System Application

Exhibit H - Use of System Interconnector Offer and Confirmation Notice

Section 9 Interconnectors

- ~~9.10 USE OF SYSTEM CHARGES – Transmission Network Use of System Charges~~
- ~~9.10.1 Subject to the provisions of the CUSC, and any relevant Bilateral Agreement, together with the relevant Charging Statements, the User shall with effect from the relevant date set out in the relevant Bilateral Agreement, be liable to pay to The Company the Transmission Network Use of System Charges and (if appropriate) the STTEC Charge and LDTEC Charge in accordance with the CUSC calculated in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology. The Company shall apply and calculate the Use of System Charges in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology.~~
- ~~9.10.2 Data Requirements~~
- ~~9.10.2.1 On or before the end of the second week of December in each Financial Year, each User shall supply The Company with such data as described under Section 9.10.2. The Company may from time to time reasonably request to enable The Company to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements for the Financial Year to which the data relates;~~
- ~~9.10.2.2 On or before the 10th day in March in each Financial Year, each User shall supply The Company on The Company's reasonable request with its Demand Forecast for the following Financial Year pursuant to the Charging Statements to enable The Company to use such Demand Forecast as the basis for calculation of the Transmission Network Use of System Charges for the Financial Year to which the Demand Forecast relates.~~
- ~~9.10.2.3 In the event that a User fails to provide a Demand Forecast in accordance with Paragraph 9.10.2.2 above the User shall be deemed to have submitted as its Demand Forecast the last Demand Forecast supplied under Paragraph 9.10.3.1.~~
- ~~9.10.2.5 On or before the end of the second week of December in each Financial Year each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply The Company with a forecast maximum TEC for the following year, to inform The Company of the forecast generation to be sued for the purposes of setting TNUoS Tariffs.~~
- ~~9.10.3 Variation Of Forecasts During The Financial Year~~
- ~~9.10.3.1 Each User shall notify The Company of any revision to its Demand Forecast at least quarterly or at such intervals as may be agreed between The Company and the User from time to time.~~
- ~~9.10.3.2 In the event that a User fails to provide a revised Demand Forecast in accordance with Paragraph 9.10.3.1 above the User shall be deemed to have submitted as its revised Demand Forecast that submitted at the previous quarter.~~
- ~~9.10.3.3 Subject to Paragraph 9.10.4, The Company shall revise the Transmission Network Use of System Charges payable by a User to take account of any revised Demand Forecast and shall commence charging the revised Transmission Network Use of System Charges from the first day of the month following the month in which such revised Demand Forecast was received provided always that such Demand Forecast is provided before the 10th day of such month.~~
- ~~9.10.4 Validation of Demand Forecasts~~
- ~~9.10.4.1 The Demand Forecast shall represent a User's reasonable estimate of its Demand.~~

- ~~9.10.4.2~~ — The Company shall notify the User in the event that the Transmission Network Use of System Charges due from the User to The Company or from The Company to the User (as the case may be) calculated by The Company using the Demand Forecast differ by more than 20% from that calculated by The Company using The Company's forecast Demand as provided for in the Charging Statements.
- ~~9.10.4.3~~ — In the event that The Company does not receive a satisfactory explanation for the difference between the Demand Forecast and The Company's forecast Demand or a satisfactory revised Demand Forecast from the User within 5 Business Days of such notice then The Company shall be entitled to invoice a User for Transmission Network Use of System charges calculated on the basis of The Company forecast Demand.
- ~~9.10.4.4~~ — Any dispute regarding a Demand Forecast or the resulting Transmission Network Use of System Charges shall be a Charging Dispute.
- ~~9.10.5~~ — Reconciliation Statements
- ~~9.10.5.1~~ — **Calculation of Initial Reconciliation**
On or before 30 June in each Financial Year, The Company shall promptly calculate in accordance with the Statement of the Use of System Charging Methodology and the Statement of Use of System Charges the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by the User during each month during the preceding Financial Year (Actual Amount). The Company shall then compare the Actual Amount with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during the preceding Financial Year by the User (the "Notional Amount").
- ~~9.10.5.2~~ — **Generation Reconciliation**
As soon as reasonably practicable and in any event by 30 April in each Financial Year The Company shall prepare a generation reconciliation statement (the "Generation Reconciliation Statement") in respect of generation related Transmission Network Use of System Charges and send it to the User. Such statement shall specify the Actual Amount and the Notional Amount of generation related Transmission Network Use of System Charges for each month during the relevant Financial Year and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- ~~9.10.5.3~~ — Together with the Generation Reconciliation Statement, The Company shall issue a credit note in relation to any sums shown by the Generation Reconciliation Statement to be due to the User or an invoice in respect of sums due to The Company and in each case interest thereon calculated pursuant to Paragraph 9.10.4.4 below.
- ~~9.10.5.4~~ — As soon as reasonably practicable and in any event by 30 June in each Financial Year The Company shall then prepare an initial Demand reconciliation statement (the "Initial Demand Reconciliation Statement") in respect of Demand related Transmission Network Use of System Charges and send it to the User. Such statement shall specify the Actual Amount and the Notional Amount of Demand related Transmission Network Use of System Charges for each month during the relevant Financial Year and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- ~~9.10.5.5~~ — Together with the Initial Demand Reconciliation Statement The Company shall issue a credit note in relation to any sum shown by the Initial Demand Reconciliation Statement to be due to the User or an invoice in respect of sums due to The Company and in each case interest thereon calculated pursuant to Paragraph 9.10.4.6;
- ~~9.10.5.6~~ — **General Provisions**
- ~~(a)~~ — Invoices issued under Paragraph 9.10.4.3 shall be payable within 30 days of the date of the invoice;
- ~~(b)~~ — Interest on all amounts due under this Paragraph 9.10.4 shall be payable by the paying CUSC Party to the other on such amounts

~~from the date of payment applicable to the month concerned until the date of actual payment of such amounts and such interest shall be calculated on a daily basis at a rate equal to the Base Rate during such period.~~

~~9.10.5.7~~ ~~**Final Reconciliation Statement**~~

~~(a) The Company shall as soon as reasonably practicable following receipt by it of the **Final Reconciliation Settlement Run** or **Final Reconciliation Volume Allocation Run** as appropriate in respect of the last **Settlement Day** in each **Financial Year** issue a further **Demand reconciliation statement** (the "**Final Demand Reconciliation Statement**") in respect of **Demand** related **Transmission Network Use of System Charges** payable in respect of each month of that **Financial Year** showing:-~~

~~(i) any change in the **Demand** related **Transmission Network Use of System Charges** from those specified in the **Initial Demand Reconciliation Statement** provided in accordance with Paragraph 9.10.4.4;~~

~~(ii) whether the change represent a reconciliation payment owing by **The Company** to a **User** or by a **User** to **The Company**;~~

~~(iii) the amount of interest determined in accordance with Paragraph 9.10.4.6 above; and~~

~~(iv) the information from which the amounts in (i) above are derived and the manner of their calculation.~~

~~(b) Together with the **Final Demand Reconciliation Statement** **The Company** shall issue a credit note in relation to any sum shown in the **Final Demand Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **The Company** and in each case interest thereon calculated pursuant to Paragraph 9.10.4.6.~~

~~(c) Payment of any invoice issued pursuant to Paragraph 9.10.4.7(b) above or the application of any credit note issued pursuant to that paragraph against any liability of the **User** to **The Company** for **Demand** related **Transmission Network Use of System Charges** will be in full and final settlement of all **Demand** related **Transmission Network Use of System Charges** for the **Financial Year** to which the invoice or credit note relates provided that nothing in this Paragraph 9.10.4.7(c) shall affect the rights of the parties under the provisions of Paragraph 7.3.5 of the **CUSC**.~~

~~9.10.6 Paragraphs 3.14.1 - 3.14.4 (Revision of Charges) shall apply as if set out herein in full.~~

~~9.10.7 Each User shall as between The Company and that User provide The Company with Security Cover in respect of Transmission Network Use of System Demand Reconciliation Charges in accordance with Part III of Section 3.~~

~~9.10.8 Paragraphs 3.21 to 3.25 inclusive (Credit Requirements) as they relate to Transmission Network Use of System Demand Reconciliation Charges shall apply as if set out herein in full.~~

9.22.3 Each User shall as between The Company and that User provide The Company with Security Cover in respect of ~~Transmission Services Use of~~

- 9.22.4 ~~System Charges and~~ Balancing Services Use of System Charges in accordance with the provisions of Part III of Section 3. Paragraphs 3.21 to 3.24 (Credit Requirements) as they relate to ~~Transmission Services Use of System Charges and~~ Balancing Services Use of System Charges shall apply as if set out herein in full and as if references to Generators were references to Interconnector Users and to Interconnector Error Administrators (as the case may be).

SECTION 11

INTERPRETATION AND DEFINITIONS

"Interface Agreement"	the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.14 <u>9.13</u> based substantially on the forms set out in Exhibit O to the CUSC;
"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 9.20 <u>9.19</u> 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;

CUSC - EXHIBIT F

THE CONNECTION AND USE OF SYSTEM CODE USE OF SYSTEM APPLICATION

SUPPLIER

INTERCONNECTOR USER

INTERCONNECTOR ERROR ADMINISTRATOR

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold. If the **Applicant** has any queries regarding this application or any related matters then the **Applicant** is recommended to contact **The Company**¹ where our staff will be pleased to help.

1. The Company (**National Grid Electricity Transmission plc**) requires the **information requested in this application form for the purposes of preparing an Offer (the "Offer") to allow the Applicant to use the National Electricity Transmission System. It is essential that the Applicant supplies all information requested in this application form and that every effort should be made to ensure that such information is accurate.**

¹ Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

2. **Where The Company considers that any information provided by the Applicant is incomplete or unclear or further information is required, the Applicant will be requested to provide further information or clarification. The provision/clarification of this information may impact on The Company's ability to commence preparation of an Offer.**
3. **Should there be any change in any information provided by the Applicant after it has been submitted to The Company, the Applicant must immediately inform The Company of such a change.**
4. **The effective date upon which the application is made shall be the date when The Company is reasonably satisfied that the Applicant has completed Section A. The Company shall notify the Applicant of such date.**
5. **The Company will make the Offer in accordance with the terms of Paragraph 3.7 or ~~9.2.1~~ [9.21](#) (Use of System Application) of the CUSC and the Transmission Licence.**
6. **The Company will make the Offer as soon as is reasonably practicable and in any event within 28 days of the effective date of the application or such longer period as the Authority agrees to.**
7. **If the Applicant is not already a CUSC Party the Applicant will be required as part of this application form to undertake that he will comply with the provisions of the Grid Code for the time being in force. Copies of the Grid Code and the CUSC are available on The Company's Website² and the Applicant is advised to study them carefully. Data submitted pursuant to this application shall be deemed submitted pursuant to the Grid Code.**
8. **The Company's Offer will be based to the extent appropriate upon its standard form terms for Use of System Offer and the Charging Statements issued by The Company under Standard Conditions C4 and C6 of the Transmission Licence. The Applicant should bear in mind The Company's standard form terms of offer when making this application.**
9. **Please complete this application form in black print and return it duly signed to, Customer Services Manager, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634). In addition to returning the application to the Customer Services Manager an electronic form may be e-mailed to The Company at eamdata@uk.ngrid.com Transmissionconnections@nationalgrid.com**
10. **For the most up to date contact details applicants are advised to visit The Company Website².**

² www.nationalgrid.com/uk/electricity

SECTION A. DETAILS OF APPLICANT (in respect of this application)

1. Registered Company

Name:.....

Address (of Registered Office in the case of a Company):

.....
.....
.....

Company Number:.....

Parent Company Name (if applicable):.....

2. Company Secretary or person to receive CUSC notices

Name:.....

Email:.....

Telephone:.....

Fax:.....

3. Commercial Contact/Agent (person to receive Offer if different from Company Secretary or person to receive CUSC notices identified in 2 above)

Name:.....

Title:.....

Address:.....

.....
.....

Email:.....

Telephone:.....

Fax:.....

USE OF SYSTEM APPLICATION

1. **We hereby apply to use the National Electricity Transmission System.**

2. **We will promptly inform The Company of any change in the information given in this Application as quickly as practicable after becoming aware of any such change.**

3. If we are not already a CUSC Party we undertake for the purposes of this Application to be bound by the terms of the Grid Code from time to time in force and to sign a CUSC Accession Agreement.

~~4. We confirm that we:~~

~~meet the Approved Credit Rating []~~

~~do not meet the Approved Credit Rating []~~

5. 4. We confirm that we are applying in the category of:

Supplier []

Interconnector User []

Interconnector Error Administrator []

5. Where applying in the category of a Supplier, we confirm that we:

meet the Approved Credit Rating []

do not meet the Approved Credit Rating []

SIGNED BY:

.....
For and on behalf of the **Applicant**

Date:.....

END OF EXHIBIT F

To: [] ("User", which expression shall include its successors and/or permitted assigns)

From: National Grid Electricity Transmission plc (["The Company"](#))

Date: []

1. DEFINITIONS, INTERPRETATIONS AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the CUSC have the same meanings, interpretations or constructions in this Use of System Interconnector Offer and Confirmation Notice ("Notice").

Part I - Use of System Interconnector Offer Notice

2. COMMENCEMENT

Subject to the other terms of this Notice, use of the National Electricity Transmission System as an [Interconnector User/Interconnector Error Administrator] ~~and the requirement to pay Use of System Charges~~ shall commence on the date The Company signs and dates Part II of this Notice.

~~3. CREDIT REQUIREMENTS~~

~~The amount to be secured by the User if Option A in the acknowledgement is deleted is set out in the Appendix to this Notice.~~

4. ~~3.~~ TERM

Subject to the provisions for earlier termination set out in the CUSC, the User's right to use the National Electricity Transmission System pursuant to this Notice shall continue until the User gives The Company a Use of System [Interconnector] Termination Notice pursuant to Paragraph [9.23.1] of the CUSC or use ceases under the provisions of the CUSC.

We acknowledge and agree to the terms set out above.

[]

[Name of User]

Date:

~~[Delete one of the following options:]~~

~~Option A: We meet the Approved Credit Rating~~

~~Option B: We do not meet the Approved Credit Rating~~

Part II - Use of System Interconnector Confirmation Notice

CONFIRMATION

We hereby confirm that with effect from the date set out below you can use the National Electricity Transmission System as an [Interconnector User / Interconnector Error Administrator] in accordance with the terms of the CUSC and this Notice, ~~and are required to pay Use of System Charges.~~

[]

National Grid Electricity Transmission plc

Date:

Appendix

~~The amount of Security Cover required if Option A is deleted is: £[]~~