

Connection and Use of System Code (CUSC)

Title of the CUSC Modification Proposal
Addressing discrepancies in disconnection/de-energisation remedies
Submission Date
22 nd October 2015
Description of the Issue or Defect that the CUSC Modification Proposal seeks to address
<p>There is a gap in the current industry arrangements in how a Supplier's right to disconnect an indebted customer pursuant to the Supplier's rights under its Supply Contract or the Electricity Act 1989 is given effect.</p> <ul style="list-style-type: none">• For a distribution-connected customer, if it fails to pay its debts to its Supplier, its Supplier can (subject to certain conditions) disconnect it. This may usually be practical for domestic and small business customers, where most Suppliers will have suitable operatives, or can hire a bailiff/agent. However, for customers energised at higher voltages, safety becomes a concern and special skills are needed; therefore the Supplier is able to use the industry rules to request that the DNO de-energises it on the Supplier's behalf (at the Supplier's cost) – via a specific provision in DCUSA.• For transmission-connected customers, known in the CUSC as “non-embedded customers”, the skill level to effect a disconnection is much higher and specialist very high voltage qualifications are needed to do so safely, held in essence almost entirely by transmission company employees. No Supplier will have the skills to disconnect them itself for non-payment of debts. There may occasionally be issues concerning access to a site to de-energise or disconnect at an electrical boundary <i>within</i> the private large-industry site. A network company will generally be able to de-energise or disconnect from its own equipment external to the site. There should be a specific provision in CUSC to mirror that in DCUSA, but there isn't. The defect is the lack of this equivalent right via the industry rules to enable Suppliers to request that the transmission network company de-energises such customers.• If not addressed, Suppliers will be unwilling to supply non-embedded customers at all, or will only do so on onerous advance-payment, perhaps premium, terms, harming such customers as a class – they already face some green/policy-related costs that their industrial competitors overseas, using “dirtier” electricity, don't; and the viability of their operations in Britain is strongly related to their Supply costs. Smaller Suppliers, where generally active in the I&C market segment, may well feel unable to participate in the market to supply non-embedded customers under CUSC baseline, damaging competition in Supply.• If not addressed, a risk thus exists which is likely to increase costs for suppliers and for

consumers in particular (pass through of risk in premium or credit requirement), or consumers in general (if risk is shared with other customers by supplier, or passed through to all parties if the supplier fails, reducing competition). The most effective way of addressing this risk is for the person responsible for managing and operating the connection to de-energise the non-embedded customer.

- Note that the BSC has provision (section 3.2.2 (d)) for the BSC Panel to require, with prior approval from Ofgem, a Transmission Company or a Distribution System Operator to de-energise plant or apparatus (comprising BM Units) of a defaulting party (generally speaking this means a defaulting Supplier, and this includes disconnection of any of its customers that are grid-connected, among others). And the transmission company and DSOs all “consent” in the BSC wording, to this. The relevance of this is that it means the Transmission Company is *already* compelled to have staff able to deliver de-energisation of transmission-connected customers in a timely manner on request, so this CUSC mod does not require it to develop additional skills, resources or procedures and plans beyond those which it must already have in place for BSC purposes.

Description of the CUSC Modification Proposal

It is suggested that words be inserted into the CUSC of similar form to those in DCUSA (*section 25.2 onwards, as part of DCUSA section 25 “Energisation, De-Energisation And Re-Energisation”*) as to de-energisation of a customer by the networks firm where a Supplier requests it due to bad debt.

The form of these words is for debate at a workgroup. We offer below the form of words in the DCUSA, as a possible framework in developing legal text for this CUSC mod :

The Company shall, to the extent that it may lawfully do so, at the request of the User, when the User is entitled to have carried out Energisation Works, De-energisation Works and Re-energisation Works, carry out such works at the cost of the User within a reasonable time or, in circumstances of urgency, as soon as is reasonably practicable.

The Company shall if requested by the User, inform the User of its reasonable requirements for the details by reference to which Metering Points or Metering Systems to be Energised, De-energised or Re-energised are to be identified.

Duty to Indemnify

Where the Company carries out Works on behalf of the User (as above), the Company shall indemnify the User against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by the User as a consequence of, physical damage to the property of the User, its officers, employees or agents, and in respect of the liability of the User to any other person for loss in respect of physical damage to the property of any person, in each case as a consequence of acting contrary to an accurate and appropriate instruction to De-energise a Metering Point or Metering System;

Save for any matters arising from or in connection with the negligent act or omission or default of the Company, its officers, employees or agents, the User shall indemnify the Company

against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by the Company as a consequence of, physical damage to the property of the Company, its officers, employees or agents, and in respect of the liability of the Company to any other person for loss in respect of physical damage to the property of any person, in each case as a consequence of acting in reliance on any instructions given by the User to the Company which are materially inaccurate or misleading;

and

Where the User requests the Company to Energise, De-energise or Reenergise a single point of connection that is both an Exit Point and an Entry Point, the User shall also indemnify the Company against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage made against or incurred or suffered by the Company and resulting directly from such Works howsoever arising (including, where the User is Registered in respect of the Exit Point, any claim by the user Registered in respect of the Entry Point, and vice versa) except insofar as such actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arise from the negligent act or omission or default of the Company, its officers, employees or agents.

Impact on the CUSC

Section 5 of the CUSC (events of default, de-energisation, and disconnection) will need amendment – currently it only allows for disconnection in the case of bad debt in relation to charges collected by The Company, and not in relation to charges payable to a Supplier.

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? No

Include your view as to whether this Proposal has a quantifiable impact on greenhouse gas emissions : No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC

Grid Code

STC

Other
(please specify)

NGET may not wish to send staff to disconnect non-embedded customers in Scotland when it is obliged to do so, or where the switchgear is remotely-controlled it may not always be able to do remotely because the remote switchgear is controlled from a Scottish control point, but this would not be a new issue created by this mod : the STC should already allow for Grid to request disconnections by Scottish TOs, to deliver Grid's obligations under the CUSC where a

non-embedded customer fails to pay National Grid its transmission bills, and to deliver Grid's obligations under the BSC (the BSC has provision for the BSC Panel to require, with prior approval from Ofgem, a Transmission Company or a Distribution System Operator to de-energise plant or apparatus (comprising BM Units) of a defaulting party (generally speaking this means a defaulting Supplier, and this includes disconnection of any of its non-embedded customers, among others). And the transmission company and DSOs all "consent" in the BSC wording, to this). If the STC does not make allowance for this, then it is already flawed with regards to the situation without this new CUSC mod, and would need amendment accordingly.

Urgency Recommended: Yes

We suggest that this is debated at the CUSC panel where process is determined

Justification for Urgency Recommendation

If you have answered yes above, please describe why this Modification should be treated as Urgent.

The gap we have identified in the industry framework means that there is a risk to suppliers in relation to non-payment by large non-embedded customers. This can lead to significant commercial impacts on suppliers and so needs to be addressed urgently.

Self-Governance Recommended: Yes

We suggest that this is debated at the CUSC panel where process is determined; there does seem to be a case for self-governance as the change would merely ensure that the existing provisions of the electricity act are physically able to be safely delivered, in the rare event of a large customer being unable to pay its Supplier for its electricity.

Justification for Self-Governance Recommendation

If you have answered yes above, please describe why this Modification should be treated as Self-Governance.

There does seem to be a case for self-governance as the change would merely ensure that the existing provisions of the electricity act are physically able to be safely delivered, in the rare event of a large customer being unable to pay its Supplier for its electricity)

A Modification Proposal may be considered Self-governance where it is unlikely to have a material effect on:

- Existing or future electricity customers;
- Competition in generation or supply;
- The operation of the transmission system;
- Security of Supply;
- Governance of the CUSC
- And it is unlikely to discriminate against different classes of CUSC Parties.

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?

There is no current CUSC SCR

Impact on Computer Systems and Processes used by CUSC Parties:

None

Details of any Related Modification to Other Industry Codes

None

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:

This section is mandatory. You should detail why this Proposal better facilitates the Applicable CUSC Objectives compared to the current baseline. Please note that one or more Objective must be justified.

Please tick the relevant boxes and provide justification:

There is no actual way to tick the boxes on this electronic document, and no tick-in-a-box symbol that one can insert from any font either, so we have written “yes” or “no”

NO (a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

YES (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**.

Reason : If not addressed, Suppliers will be unwilling to supply such customers at all, or will only do so on onerous advance-payment, perhaps premium, terms, harming such customers as a class – they already face many green/policy-related costs that their industrial competitors overseas, using “dirtier” electricity, don’t, and the viability of their operations in Britain is acutely related to their Supply costs. **Smaller Suppliers, where generally active in the I&C market segment, are probably unable to participate in the market to supply transmission-connected customers under CUSC baseline, damaging competition in Supply.**

NO (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Additional details

Details of Proposer: (Organisation Name)	EDF Energy
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:	Paul Mott, EDF Energy, 0203 126 2314, paul.mott@edfenergy.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mark Cox, EDF Energy, 01452658415 Mark.Cox@edfenergy.com
Attachments (No): If Yes, Title and No. of pages of each Attachment:	

Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail cusc.team@nationalgrid.com

Phone: 01926 653606

For examples of recent CUSC Modifications Proposals that have been raised please visit the National Grid Website at <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/Current/>

Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to jade.clarke@nationalgrid.com and copied to cusc.team@nationalgrid.com, or by post to:

Jade Clarke
CUSC Modifications Panel Secretary, TNS
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

If no more information is required, we will contact you with a Modification Proposal number and the date the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.