

Rob Marshall
Acting Chair
CUSC Panel

Nadir Hafeez
Ofgem
By email

9 February 2022

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP383: 'Updating recovery of CMP381 deferred costs from 1 April 2022'**

On 7 February 2022, National Grid ESO raised **CMP383**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

To enable the ESO to recover the costs deferred under CMP381, a licence change is required. This will not be in place for 1 April 2022. Therefore, **CMP383** seeks to change the recovery of CMP381 costs, to when the new licence comes into effect until 31 March 2023.

All documentation for this modification can be located via the following link:

<https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp383-updating>

The CUSC Modifications Panel ("the Panel") on 9 February 2022, considered **CMP383** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a) and (c), which is as follows:

a) A significant commercial impact on parties, consumers, or other stakeholder(s)

The Proposer believes this has a "significant commercial impact" on all BSUoS liable users, as it changes the timeframes over which the CMP381 costs are recovered, therefore as much visibility of this change as possible is important.

c) A party to be in breach of any relevant legal requirements.

The Proposer argues that, without this change, the ESO could be in "breach of legal requirements", as currently the CUSC requires the ESO to recover costs from 1st April 2022, which is not currently allowed under the ESO's licence.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The unanimous view of the Panel is that **CMP383 does meet** Ofgem's Urgency criteria¹. Therefore, the recommendation of the Panel is that **CMP383 should** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- The Panel Members unanimously agreed that this is an imminent or current issue that if not urgently addressed may cause:
 - a significant commercial impact on parties and consumers or other stakeholders and therefore met Ofgem's Urgency criteria (a). Panel agreed that this would have a significant effect on BSUoS payers and it was important for Stakeholders to know from when the BSUoS costs deferred under CMP381 would be recovered; and/or
 - a party to be in breach of any relevant legal requirements and therefore met Ofgem's Urgency criteria (c) as ESO's licence does not allow recovery from 1 April 2022.
- One Panel Member didn't agree CMP383 met Ofgem's Urgency criteria (a) as they believe it is not clear that there is a suitably significant commercial impact/risk compared to existing BSUoS volatility.
- One Panel Member didn't agree CMP383 met Ofgem's Urgency criteria (c) as they argue that the ESO would be covered under the Licence, which would take precedence.

Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP383** in the instance that urgency is granted.

The Panel agreed that **CMP383** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Panel noted that if urgency is required, there would be a Code Administrator Consultation period of less than 15 working days.

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Marshall', written in a cursive style.

Rob Marshall
Acting Chair of the CUSC Panel

Appendix 1 – Urgent Timeline

Modification Stage	Date
Request for Urgency Received	8 February 2022
Panel consideration of Urgency	9 February 2022
Ofgem decision on Urgency	11 February 2022 (by 5pm)
Code Administrator Consultation (10 working days)	14 February 2022 to 28 February 2022 (5pm)
Draft Final Modification Report issued to Panel and Industry	2 March 2022
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	10 March 2022
Final Modification Report issued to Panel to check votes recorded correctly	10 March 2022
Submit Final Modification Report to Authority	14 March 2022
Authority Decision	By 31 March 2022
Date of Implementation	The working day following the ESO licence change coming into effect, allowing recovery of CMP381

Appendix 2 – Standard Timeline

Modification Stage	Date
Code Administrator Consultation (15 working days)	9 February 2022 to 2 March 2022 (5pm)
Draft Final Modification Report issued to Panel and Industry	17 March 2022
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	25 March 2022
Final Modification Report issued to Panel to check votes recorded correctly (1 working day)	28 March 2022
Submit Final Modification Report to Authority	5 April 2022
Authority Decision	TBC
Date of Implementation	TBC

Appendix 3 – Panel Urgency Vote

See separate attachment