

Code Administrator Consultation Response Proforma**CMP384: Apply adjustments for inflation to manifest error thresholds using Indexation**

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

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 20 September 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Ren Walker Lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Claire Hynes
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I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (charging) Objectives are:

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

- e. Promoting efficiency in the implementation and administration of the system charging methodology.

****The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.**

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

Standard Code Administrator Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original Solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input checked="" type="checkbox"/>B <input checked="" type="checkbox"/>C <input type="checkbox"/>D <input checked="" type="checkbox"/>E</p> <p>Objective (a) – Positive - The proposal ensures that the manifest error thresholds set in the original GB-ECM-05 in 2006 reflect it's real value by increasing in-line with inflation and then increasing in line with TOPI going forward. The real value application provides consistent treatment of material errors which results in an even playing field and supports effective competition.</p> <p>Objective (b) – Positive - It promotes the alignment of the manifest error thresholds and the materiality of the error it determines with 'real' value providing better cost reflectivity.</p> <p>Objective (c) - Positive - The proposal takes account of developments in transmission licensees' transmission businesses through the introduction of an indexation mechanism.</p> <p>Objective (d) - Neutral</p> <p>Objective (e) – Positive - It will bring the materiality of the error determined by the error manifest thresholds in line with real value promoting efficiency in the implementation and administration of the system charging methodology.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Yes, we agree that this change should not be applied retrospectively and should be implemented from the 01 April 2023.</p>
3	Do you have any other comments?	No comment.