

CUSC Code Administrator Consultation Response Proforma**CMP344 'Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology'**

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 **22 December 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Joseph Henry Joseph.Henry2@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the applicable CUSC 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. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1*; and*
- e. *Promoting efficiency in the implementation and administration of the use of system charging methodology.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

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 CMP344 Original solution, better facilitates the Applicable CUSC Objectives?	<p>We are supportive of CMP344.</p> <p>This modification will better facilitate effective competition in the generation of electricity. Clear clarification on the recovery of costs allowed under a price control and costs as a result of unforeseen and unforeseeable events should reduce the risk and uncertainty faced by generators, OFTOs and TOs, which in turn will lead to lower overall costs.</p> <p>The recovery of costs related to unforeseen and unforeseeable events via the demand residual will align the approach across onshore and offshore which in turn will level the playing field, increasing competition amongst technologies.</p> <p>Lastly, this modification will provide clarity on the administration of the CUSC and clearer charging arrangements.</p>
2	Do you support the proposed implementation approach?	We are supportive of the implementation approach of April 2021.
3	Do you have any other comments?	Click or tap here to enter text.