

# CUSC Modification Proposal Form

CMP216

**Title of the CUSC Modification Proposal:** *(mandatory by Proposer)*  
Removal of references to BSUoS charges for Interconnector BM Units

**Submission Date** *(mandatory by Proposer)*  
17<sup>th</sup> January 2013

**Description of the CUSC Modification Proposal** *(mandatory by Proposer)*

These proposed changes aim to update Section 9 of the CUSC, the proposal reflects Interconnectors no longer being obligated to pay Balancing Services Use of System (BSUoS) charges following the implementation of CMP202 in August 2012.

The proposed implementation date is after November 2013, due to being unable to remove references to BSUoS charges until final reconciliation is complete. The proposal is being raised now to provide visibility to the industry that BSUoS obligations for Interconnectors have been removed.

**Description of Issue or Defect that CUSC Modification Proposal seeks to Address:** *(mandatory by Proposer)*

Section 9 of the CUSC has not been revised following the implementation of CMP202 and therefore still references the requirement for Interconnector BM Units to pay BSUoS charges. Final reconciliation for BSUoS charges is estimated to be November 2013 (date to be confirmed by ELEXON). Implementation of this modification should follow final reconciliation as BSUoS obligations in the CUSC are still valid for existing Users prior to the implementation of CMP202. This proposal is being raised now to provide visibility of Interconnector BM Units' obligations, as users signing the CUSC after the implementation of CMP202 in August 2012 are not obligated to pay BSUoS charges.

This proposal will run in conjunction with CMP215 which seeks to remove reference to Transmission Network Use of System (TNUoS) charges and Security Cover immediately, as final reconciliation has already been reached for TNUoS. For the avoidance of doubt, these modifications are not dependent upon one another.

**Impact on the CUSC** *(this should be given where possible)*

Removal of references in 9.19

Removal of Sections:

- 9.22
- 9.23.3
- 9.23.4

Subsequent numbering updated in Section 9

Contents page updated

**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. The changes being proposed are to tidy up the CUSC in response to the implementation of 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):*

CMP215

**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 which will provide clarity and visibility 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

<b>Details of Proposer:</b> (Organisation Name)	National Grid Electricity Transmission Ltd.
<b>Capacity in which the CUSC Modification Proposal is being proposed:</b> (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Jenny Doherty National Grid 01926654648 Jennifer.doherty@nationalgrid.com
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Emma Clark National Grid 01926 655223 <a href="mailto:emma.clark2@nationalgrid.com">emma.clark2@nationalgrid.com</a>
<b>Attachments (Yes/No):</b> <b>If Yes, Title and No. of pages of each Attachment:</b>  CMP202 Final Report <a href="http://www.nationalgrid.com/NR/rdonlyres/CF15507C-9149-4170-85D5-B167D968D9BC/54879/FinalCUSCModificationReport10.pdf">http://www.nationalgrid.com/NR/rdonlyres/CF15507C-9149-4170-85D5-B167D968D9BC/54879/FinalCUSCModificationReport10.pdf</a>  Proposed Legal Text:  Section 9, Paragraphs 9.16, 9.22 and 9.23	

## Section 9 Interconnectors

### **PART II - USE OF THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM BY INTERCONNECTOR USERS AND INTERCONNECTOR ERROR ADMINISTRATORS**

#### 9.19 INTRODUCTION

This Part II deals with rights and obligations relating to use of the **National Electricity Transmission System** by **Interconnector Users** and **Interconnector Error Administrators**. An **Interconnector Error Administrator** is deemed to be using the **National Electricity Transmission System** because of its registered **BM Units** ~~in respect of which it has an obligation to pay **Balancing Services Use of System Charges**~~. The **User** for the purposes of this Part II will therefore be an **Interconnector User** and/or an **Interconnector Error Administrator**. Where the **Interconnector Error Administrator** is **The Company**, the **User** for the purposes of this Part II will be **The Company**.

- ~~9.22 USE OF SYSTEM CHARGES – Balancing Services Use of System Charges~~
- ~~9.22.1 Subject to the provisions of the CUSC, together with the relevant Charging Statements, each User shall with effect from the relevant date set out in the relevant Use of System Interconnector Confirmation Notice given to a User be liable to pay to The Company in accordance with the CUSC in respect of each Settlement Day the Balancing Services Use of System Charges calculated in accordance with the Statement of the Use of System Charges Methodology.~~
- ~~9.22.2 The Company shall apply and calculate the Balancing Services Use of System Charges in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology.~~
- ~~9.22.3 Each User shall as between The Company and that User provide The Company with Security Cover in respect of Transmission Services Use of System Charges and Balancing Services Use of System Charges in accordance with the provisions of Part III of Section 3.~~
- ~~9.22.4 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).~~

## **9.22.5 — Balancing Services Use of System Charges**

**Notwithstanding the provisions of Paragraph 6.6.1 the following provisions shall apply to the payment of the Balancing Services Use of System Charges.**

- (a) The Company shall not later than 17.00 hours on the relevant Notification Date (and if this is not practicable as soon as possible thereafter as The Company, acting reasonably, considers is practicable) despatch an advice notice to the User in respect of the Settlement Day in relation to which the Balancing Services Use of System Charges are due on the relevant Payment Date.**
- (b) The information on the advice notice in respect of each Settlement Day shall include the name of the User and the total amount payable to The Company in respect of Balancing Services Use of System Charges and in all cases together with any Value Added Tax thereon during each Settlement Day.**
- (c) The Company shall, within a reasonable time thereafter provide a valid Value Added Tax invoice in respect of Balancing Services Use of System Charges identified on the advice note.**
- (d) The User shall pay the Balancing Services Use of System Charges specified in the advice notice together with the Value Added Tax thereon to The Company no later than 12.30 hours on the Payment Date specified on the advice note in respect of such Settlement Date as if they were payments made in the manner specified in Paragraph 6.6.3 of the CUSC.**

## **9.22.6 — Reconciliation**

**As soon as reasonably practicable after receipt by The Company of the Final Reconciliation Volume Allocation Run in respect of a Settlement Day The Company shall prepare and submit to each Interconnector User a statement (which may form part of an invoice or other document) calculated in accordance with the data specified in the Statement of the Use of System Charging Methodology in respect of that Settlement Day ("Balancing Services Use of System Reconciliation Statement"), showing the new value (if any) of data (as specified in the Statement of the Use of System Charging Methodology in force on that Settlement Day) attributable to the User in respect of such Settlement Day and the amount of Balancing Services Use of System Charges payable by the User on the basis of the new value (the "Reconciled Charge").**

- ~~9.22.7~~ ~~In the event that:~~
- ~~(a) the Reconciled Charge exceeds the Balancing Services Use of System Charges paid by the User in respect of that Settlement Day ("Initial Charge") The Company shall at its option either:
    - ~~(i) send to the User as soon as reasonably practicable after issue of the Balancing Services Use of System Reconciliation Statement an invoice for the amount by which the Reconciled Charge exceeds the Initial Charge and interest thereon calculated in accordance with the provisions set out in Paragraph 9.22.8; or~~
    - ~~(ii) include such amount in another invoice in respect of Balancing Services Use of System Charges to the User.~~~~
  - ~~(b) the Reconciled Charge is less than the Initial Charge The Company shall at its option either:-
    - ~~(i) send to the User as soon as reasonably practicable after issue of the Balancing Services Use of System Reconciliation Statement a credit note for the amount by which the Initial Charge exceeds the Reconciled Charge and interest thereon calculated in accordance with the provisions set out in Paragraph 9.22.8; or~~
    - ~~(ii) include such amount as a credit in an invoice in respect of Balancing Services Use of System Charges from The Company to the User.~~~~
- ~~9.22.8~~ ~~Interest payable in respect of each reconciliation payment shall accrue from and including the relevant Use of System Payment Date up to but excluding the date upon which the amounts specified in the Balancing Services Use of System Reconciliation Statement are paid, and shall be at a rate equal to the Base Rate for the time being and from time to time. Interest shall accrue from day to day.~~
- ~~9.22.9~~ ~~If The Company receives written notice from any User or from the relevant BSC Agent that an error has occurred in any data forming part of or used within the Initial Volume Allocation Run which affects the costs to The Company of offers and bids in the Balancing Mechanism accepted by The Company in respect of any Settlement Day, and that error has been ratified in accordance with the procedures for ratification set out in the Balancing and Settlement Code it shall use its reasonable endeavours to, as soon as reasonably practicable after receipt of such notice, issue a dispute reconciliation statement ("Dispute Statement") to the User in respect of that Settlement Day.~~
- ~~9.22.10~~ ~~Any Dispute Statement issued pursuant to Paragraph 9.22.9 above shall show the amount of Balancing Services Use of System Charges payable by the User on the basis of the ratified data.~~
- ~~9.22.11~~ ~~(a) In the event that the amount shown in any Dispute Statement exceeds the aggregate amount paid by the User in respect of the Settlement Day to which the Dispute Statement relates under any invoices issued pursuant to Paragraph 9.22.5 and Paragraph 9.22.7 above (after taking into account any credit notes issued) The Company shall submit to the User a further invoice for such excess and interest thereon calculated in accordance with Paragraph 9.22.8;~~
- ~~(b) In the event that the amount shown in any Dispute Statement is less than the aggregate amount paid by the User in respect of the Settlement Day to which the Dispute Statement relates under any invoices issued pursuant to Paragraph 9.22.5 and Paragraph 9.22.7 above (after taking into account any credit notes issued) The Company shall submit to the User a credit note for the amount by which the amount paid exceeds the amount shown in the Dispute Statement together with interest thereon calculated in accordance with Paragraph 9.22.8;~~
- ~~9.22.12~~ ~~If at any time prior to receipt by The Company of the Final Reconciliation Volume Allocation Run in respect of a Settlement Day The Company receives written notice from any User or the relevant BSC Agent of an error occurring in any data forming part of or used within the Initial Volume Allocation Run or the Reconciliation Volume Allocation Run which in either case affects the data (as specified in the Statement of the Use of System Charging Methodology)~~

~~used in the calculation of Balancing Services Use of System Charges for that Settlement Day, which error:-~~

~~(a) is not taken into account in the **Final Reconciliation Volume Allocation Run**; and~~

~~(b) has been ratified in accordance with the procedures for ratification set out in the **Balancing and Settlement Code**,~~

~~then **The Company** shall use its reasonable endeavours to prepare the **Balancing Services Use of System Reconciliation Statement** on the basis of the ratified data.~~

~~**9.22.13** **The right to submit Balancing Services Use of System Reconciliation Statements and Dispute Statements and the consequential invoices and/or credit notes shall survive the termination of the User's rights under the CUSC and the parties agree that the provisions of this Paragraph 9.22 shall remain in full force and effect and shall continue to bind them after such termination (the version in existence as at the date of termination being the applicable version, in the case of any amendments).**~~

~~**9.22.14** **Reconciliation Payments**~~

~~Each **User**, or as the case may be, **The Company**, shall pay the amounts set out in any invoice or credit note issued pursuant to Paragraphs 9.22.7 or 9.22.11 respectively above, either in accordance with the applicable requirements for payment of other sums due under that invoice in the case of sums shown in an invoice also dealing with other payments, or in other cases within **5 Business Days** of the date of the **Balancing Services Use of System Reconciliation Statement or Dispute Statement** as appropriate.~~

~~**9.22.15** **Revision of Charges**~~

~~(a) **Subject to Paragraph (b) below, The Company shall give the User not less than 2 months prior written notice of any revision to the Statement of the Use of System Charging Methodology which will affect the application and calculation of the Balancing Services Use of System Charges, which notice shall specify the date upon which such revisions become effective (which may be at any time). The User shall pay any such revised charges with effect from the date specified in such notice.**~~

~~(b) **Where in accordance with the Transmission Licence, the Authority determines a shorter period than two months for the implementation of a revision to the charges which will affect the application and calculation of the Balancing Services Use of System Charge, the notice period will be determined by the Authority. The notice will specify when the revision is effective and the User shall pay any such revised charges with effect from the date specified in such notice.**~~

**9.23** **TERMINATION AND RELATED PROVISIONS**

**9.23.1** **A User may terminate its use of the National Electricity Transmission System by giving The Company a Use of System Termination Notice not less than 28 days prior to such termination of use and the right to use the National Electricity Transmission System shall cease upon the termination date in the Use of System Termination Notice.**

**9.23.2.1** **Use shall cease forthwith upon:**

- (a) There ceasing to be a Bilateral Connection Agreement for the Connection Site of the relevant Interconnector;**
- (b) disconnection of the Connection Site of the relevant Interconnector pursuant to Section 5;**
- (c) an Event of Default by the User as provided for in Section 5.**

**9.23.2.2** Use shall be suspended for the period of any Deenergisation of the Connection Site of the relevant Interconnector pursuant to the CUSC.

~~9.23.3~~ ~~Prior to termination by a User under Paragraph 9.23.1 above, the User shall pay to The Company all Balancing Services Use of System Charges payable by the User in respect of the Financial Year in which the cessation takes place.~~

~~9.23.4~~ ~~Termination of use under this Paragraph 9.23 shall not relieve a User of its obligation under 9.22 to pay any outstanding Balancing Services use of System Charges in respect of any Settlement Day for which the Payment Date fell after the date of the termination of use.~~