CUSC Modification Proposal Form CMP266

national grid

Connection and Use of System Code (CUSC)

Title of the CUSC Modification Proposal

Removal of Demand TNUoS charging as a barrier to future elective Half Hourly settlement

Submission Date

16/03/2016

Description of the Issue or Defect that the CUSC Modification Proposal seeks to address

When a meter within Profile Classes 1-4 moves from being Non Half Hourly (NHH) settled to Half Hourly (HH) settled within the same TNUoS charging year, the Supplier and ultimately the end consumer is liable for both a NHH TNUoS liability and HH TNUoS liability for that charging year. Ofgem's stated aim is to remove barriers to allow Elective Half Hourly settlement from early 2017. This defect therefore needs to be removed.

Description of the CUSC Modification Proposal

With reference to Ofgem's recent "Elective half-hourly settlement conclusions paper" (https://www.ofgem.gov.uk/system/files/docs/2016/05/elective_hhs_conclusions_paper.pdf) issued on 27th May 2016. There are two main solutions to the defect which the proposer has considered.

1) *To prevent double charging in a given charging year a consumer migrating from NHH settled to HH settled will be charged under the NHH methodology for the year in which they migrate and then will be charged under the HH methodology for future full charging years up until HH settlement is mandatory for all consumers.*
2) *To prevent double charging of TNUoS for a meter electing to be HH settled, all demand within Measurement Class F & G will be charged under the TNUoS NHH methodology from April 2017 up until HH settlement is mandatory for all consumers.*

Other solutions such as treating all demand sub100kW as NHH up until all consumers are HH settled have been discussed at TCMF. In its conclusions paper, Ofgem said that it thought a modification should be raised to extend the NHH transmission charging structure to measurement classes F and G. The merits of these other solutions will be discussed at a workgroup level."

The proposed solution to address the defect for this modification is the following;

2) **To prevent double charging of TNUoS for a meter electing to be HH settled, all**

demand within Measurement Class F & G will be charged under the TNUoS NHH methodology from April 2017 up until HH settlement is mandatory for all consumers.

In detail

For the purposes of settlement, customers are assigned to a Profile Class according to their consumption pattern and meter type. Domestic and smaller non-domestic customers are assigned to Profile Classes 1-4 and are within Measurement Class A.

When meters currently in Measurement Classes A elect to be HH settled the majority move into either Measurement Class F or G. Measurement Class F is used for Half Hourly domestic Metering Systems and Measurement Class G for sub-100kW non-domestic Metering Systems with whole-current Meters.

National Grid receives aggregated demand data from Elexon in a file called P210. This file is used to calculate and invoice the TNUoS Demand liability . The P210 file splits up the total demand for a BMU into either HH or NHH demand. All Half Hourly settled demand is aggregated together. When a meter moves from being NHH settled to HH settled the demand for this meter automatically moves from the NHH to HH in the P210 file. The movement of this demand within a charging year causes 'overcharging' as the Supplier and ultimately the end consumer is liable for NHH charges for part of the year for demand between the hours of 4-7pm each day, plus HH charges which are an annual charge based on winter use over the Triad half hours.

To prevent double charging all demand within Measurement Class F will be charged under the TNUoS NHH methodology from April 2017 up until HH settlement is mandatory for all consumers.

As National Grid does not receive individual meter demand or aggregated demand per Measurement Class; to continue to charge Measurement Class F under the NHH methodology, will either require Elexon to send National Grid the demand for Measurement Class F for the Settlement Periods relating to 4-7pm. This allows National Grid to amend the P210 file and original demand. The alternative would be, these amendments necessary to the P210 file are carried out by other Industry parties and National Grid receives the 'correct' amended demand data on which to calculate TNUoS charges. The overriding proposal is the same for either approach.

Impact on the CUSC

Section 14

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

No

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

BSC ☒

Grid Code ☐

STC ☐

Other ☐
(please specify)

Discussions will need to be had about the most appropriate way for demand data to amended either by National Grid or amended then provided to National Grid. The lead time for any of these changes are significantly longer than the lead time for this modification as thy need to be in place of invoicing and not tariff setting (which is sooner).

BSC modification P339 seeks to introduce new Consumption Component Classes (to align with measurement classes E, F and G) – this could help Elexon to provide National Grid with the relevant data.

Urgency Recommended: No

No

Justification for Urgency Recommendation

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

An Urgent Modification Proposal 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 has systems; or
   c) A party to be in breach of any relevant legal requirements.

You can find the full urgency criteria on the Ofgem's website:
http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=213&refer=Licensing/IndCodes/Governance

Self-Governance Recommended: No

No

Justification for Self-Governance Recommendation

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

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?

Please justify whether this modification should be exempt from any Significant Code Review (SCR) undertaken by Ofgem. You can find guidance on the launch and conduct of SCRs on Ofgem's website, along with details of any current SCRs at:
http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=197&refer=Licensing/IndCodes/Governance.
For further information on whether this Proposal may interact with any ongoing SCRs, please contact the Panel Secretary.

Impact on Computer Systems and Processes used by CUSC Parties:

Not all HH settled customers will be charged under the HH methodology. This; as noted with other modifications, can cause issues with Suppliers billings systems.

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:

Use of System Charging Methodology

☒ (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;

It is necessary to remove the blocker of being overcharged from moving from being NHH settled to HH settled as this will prevent consumers electing to be HH settled.

HH settlement allows end users to be charged on their actual energy use over peak periods as opposed to profiled data. This will aid the potential future creation of innovative tariffs thus creating competition, and may aid the creation of demand response products.

Comparison against other solutions will be done at a workgroup level

☒ (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 in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);

Consumers liabilities calculated under the NHH methodology are based on profiled data which is average usage for all users within the same Profile. Consumers liabilities are therefore not directly matched to their actual usage within the time periods on which they are charged. By allowing consumers to be charged on their actual demand matches allows tariffs to better reflects costs

☐ (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.

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

Additional details

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission (NGET)
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:	Damian Clough National Grid Electricity Transmission (NGET) 01926656416 Damian.Clough@nationalgrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Paul Wakeley National Grid Electricity Transmission (NGET) 01926656416 Paul.Wakeley@nationalgrid.com
Attachments (Yes/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.