

CUSC - SECTION 12
BETTA TRANSITION ISSUES

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CUSC - SECTION 12

BETTA TRANSITION ISSUES

12.1 INTRODUCTION

12.1.1 This Section 12 deals with issues arising out of the transition associated with the designation of amendments to the **CUSC** by the **Secretary of State** in accordance with the provisions of the Energy Act 2004 for the purposes of Standard Condition C10 of the **Transmission Licence**. For the purposes of this Section 12, the version of the **CUSC** as amended by the changes designated by the **Secretary of State** and as subsequently amended shall be referred to as the “**GB CUSC**”.

12.1.2 In this Section 12 (including the Appendix):

- (a) **Existing E&W Users** and **E&W Applicants** are referred to as “**E&W Users**”;
- (b) **Users** who as at 1 January 2005 have entered into an agreement or have accepted an offer for connection to and/or use of the **Transmission System** of **The Company** are referred to as “**Existing E&W Users**”;
- (c) **Users** (or prospective **Users**) other than **Existing E&W Users** who apply during the **Transition Period** for connection to and/or use of the **Transmission System** of **The Company** are referred to as “**E&W Applicants**”;
- (d) **Existing Scottish Users** and **Scottish Applicants** are referred to as “**Scottish Users**”;
- (e) **Users** who as at 1 January 2005 have entered into an agreement or have accepted an offer for connection to and/or use of the **Transmission System** of either **Relevant Transmission Licensee** are referred to as “**Existing Scottish Users**”;
- (f) **Users** (or prospective **Users**) other than **Existing Scottish Users** who apply during the **Transition Period** for connection to and/or use of the **Transmission System** of either

Relevant Transmission Licensee are referred to as “**Scottish Applicants**”;

- (g) the term “**Transmission System**” means the **System** consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees and used for the transmission of electricity from one **Power Station** to a sub-station or to another **Power Station** or between sub-stations or to or from any **External Interconnection** and including any **Plant** and **Apparatus** and meters owned or operated by a transmission licensee in connection with the transmission of electricity but shall not include **Remote Transmission Assets**;
- (h) the term “**Transition Period**” means (1) the period from **Go-Active** to **Go-Live** and (2) in respect of each **Existing E&W User** that at **Go-Live** is not connected to and/or using the **Transmission System of The Company** (“**NU E&W Users**”) and **The Company** (in relation to such **NU E&W Users**) means in addition to the period from **Go-Active** to **Go-Live** the period from **Go-Live** to the date on which that **NU E&W User** has either accepted an offer to amend its **Existing CUSC Agreements** in accordance with Paragraph 12.2.6(e) or been notified by **The Company** that no such amendment to its **Existing CUSC Agreements** is required (unless it is provided to be different in relation to a particular provision), and is the period with which this Section 12 deals;
- (i) the term “**CUSC Agreements**” means any one or more, as applicable for a particular **E&W Applicant** or **Scottish User**, of the **Bilateral Connection Agreement**, **Bilateral Embedded Generation Agreement**, **Construction Agreement**, **Mandatory Services Agreement**, **Use of System Supply Offer and Confirmation Notice** and **Use of System Interconnector Offer and Confirmation Notice**, each in relation to the **GB Transmission System**;
- (j) the term “**Existing CUSC Agreements**” means any one or more, as applicable for a particular

Existing E&W User, of the Bilateral Connection Agreement, Bilateral Embedded Generation Agreement, Construction Agreement, Mandatory Services Agreement, Use of System Supply Confirmation Notice and Use of System Interconnector Confirmation Notice;

- (k) the term “**Interim GB SYS**” means the document of that name referred to in Standard Condition C11 of the **Transmission Licence**;
- (l) the term “**Go-Active**” means the date on which the first of the amendments designated by the **Secretary of State** to the **CUSC** in accordance with the Energy Act 2004 come into effect; and
- (m) the term “**Go-Live**” means the date which the **Secretary of State** indicates in a direction shall be the BETTA go-live date.
- (n) the term “**Transitional Offer**” means an offer to amend an Existing CUSC Agreement between **The Company** and an **Existing E&W User** under Paragraph 12.2.6(e) or an offer of a **CUSC Agreement** to an **Existing Scottish User** under Paragraph 12.2.7(b) or an offer of a **CUSC Agreement** to an **E&W Applicant** under Paragraph 12.2.6(b) or a **Scottish Applicant** under Paragraph 12.2.7(c) where such users or applicants do not fall within the scope of Schedule 1 paragraph 3(a) of Standard Condition C18 of the **Transmission Licence**.

(o) the term “**The Company**” when used in this Section 12 may relate to the role of **The Company** as carried out by National Grid Electricity Transmission plc at the time before the separation of **The Company** from National Grid Electricity Transmission plc and this section shall be construed as such.

12.1.3 The **GB CUSC** has been introduced with effect from **Go-Active** pursuant to the relevant licence changes introduced into the **Transmission Licence**. **The Company** is required to implement and comply, and **Users** to comply, with the **GB CUSC** subject as provided in this Section 12, which provides for the extent to which the **GB CUSC** is to apply to **CUSC Parties** during the **Transition Period**. Provided always that the provisions of Paragraph 12.2.6(h), 12.2.13, 12.2.14(a) and

12.2.19 shall continue to have effect after the **Transition Period**.

12.1.3A For the purpose of obligations contained within this Section 12 which relate to the issuing and acceptance of offers for connection and/or use of system to the **GB Transmission System** pursuant to Standard Condition C18 of the **Transmission Licence**, the **Transition Period** shall be defined as the period from **Go-Active** to the date on which Standard Condition C18 ceases to have effect.

12.1.4 This Section 12 comprises:

- (a) this Introduction;
- (b) **GB CUSC** transition issues; and
- (c) Cut-over issues.

12.1.5 Without prejudice to Paragraph 12.1.6, the failure of any **CUSC Party** to comply with this Section 12 shall not invalidate or render ineffective any part of this Section 12 or actions undertaken pursuant to this Section 12.

12.1.6 A **CUSC Party** shall not be in breach of any part of this Section 12 to the extent that compliance with that part is beyond its power by reason of the fact that any other **CUSC Party** is in default of its obligations under this Section 12.

12.1.7 Without prejudice to any specific provision under this Section 12 as to the time within which or the manner in which a **CUSC Party** should perform its obligations under this Section 12, where a **CUSC Party** is required to take any step or measure under this Section 12, such requirement shall be construed as including any obligation to:

- (a) take such step or measure as quickly as reasonably practicable; and
- (b) do such associated or ancillary things as may be necessary to complete such step or measure as quickly as reasonably practicable.

12.1.8 **The Company** shall use reasonable endeavours to identify any amendments it believes are needed to the **GB CUSC** in respect of the matters referred to for the purposes of Standard Condition C10 of the **Transmission Licence** and in respect of the matters identified in the Appendix, and, having notified the **Authority** of its consultation plans in relation to such amendments, **The Company** shall consult in accordance with

the instructions of the **Authority** concerning such proposed amendments.

- 12.1.9 **The Company** shall notify the **Authority** of any amendments that **The Company** identifies as needed pursuant to Paragraph 12.1.8 and shall make such amendments as the **Authority** approves.

12.2 GB CUSC TRANSITION

General Provisions

- 12.2.1 The provisions of the **GB CUSC** shall be varied or suspended (and the requirements of the **GB CUSC** shall be deemed to be satisfied) by or in accordance with, and for the period and to the extent set out in this Paragraph 12.2, and in accordance with the other applicable provisions in Section 12.

- 12.2.2 **E&W Users:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **E&W Users** shall comply with the **GB CUSC** during the **Transition Period**, but shall comply with and be subject to it subject to this Section 12, including on the basis that:

- (a) during the **Transition Period** the **Scottish Users** are only complying with the **GB CUSC** in accordance with this Section 12; and
- (b) during the **Transition Period** the **GB Transmission System** shall be limited to the **Transmission System** of **The Company** and all rights and obligations of **E&W Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only apply in respect of the **Transmission System** of **The Company**.

Provided always that the provisions of Paragraphs 12.2.6(h) and 12.2.7A shall continue to have effect after the **Transition Period**.

- 12.2.3 **Scottish Users:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **Scottish Users** shall comply with the **GB CUSC** and the **GB CUSC** shall apply to or in relation to them during the **Transition Period** only as provided in this Section 12, provided always that the provisions of Paragraph 12.2.7A shall continue to have effect after the **Transition Period**.

- 12.2.4 **The Company:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **The Company** shall implement and

comply with the **GB CUSC** during the **Transition Period**, but shall implement and comply with and be subject to it subject to, and taking into account, all the provisions of this Section 12, including on the basis that:

- (a) during the **Transition Period** **The Company's** rights and obligations in relation to **E&W Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only apply in respect of the **Transmission System of The Company**; and
- (b) during the **Transition Period** **The Company's** rights and obligations in relation to **Scottish Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only be as provided in this Section 12.

Provided always that the provisions of Paragraphs 12.2.6(h) and 12.2.7A shall continue to have effect after the **Transition Period**.

Specific Provisions

12.2.5 **Definitions:** The provisions of Section 11 (Interpretation and Definitions) shall apply to and for the purposes of this Section 12 except where provided to the contrary in this Section 12.

12.2.6 **CUSC Agreements/Existing CUSC Agreements – England & Wales:**

E&W Applicants:

- (a) Each **E&W Applicant** shall provide to **The Company** as soon as reasonably practicable such information (including data) as **The Company** shall require in order to enable **The Company** to prepare the **CUSC Agreements** for that **E&W Applicant**, and agrees to **The Company** using such information (including data) for such purposes.
- (b) **The Company** shall prepare for each **E&W Applicant** its **CUSC Agreements** as soon as reasonably practicable and (except where the **Authority** consents to a longer period) within the timescales set out in paragraph 7(b) of Standard Condition C18 of the **Transmission Licence**.
- (c) The **CUSC Agreements** so prepared for each **E&W Applicant** will be substantially in the form of those set out in Schedule 2, Exhibits 1, 2, 3 and 4, and Exhibits G and H to the **GB CUSC**.

- (d) Each **E&W Applicant** must work with **The Company** and use reasonable endeavours to enter into each of its **CUSC Agreements** within a reasonable period of receipt of the **CUSC Agreements** prepared for it by **The Company** pursuant to Paragraphs 12.2.6(b) and 12.2.6(c).

Existing E&W Users:

- (e) Where it is necessary to amend **Existing CUSC Agreements** between **The Company** and each **Existing E&W User** (which shall not be the case, to the extent that the operation of the provisions of Paragraph 12.2.6(h) deals with the amendments) such that those agreements will, with effect from **Go-Live** (or such later date as the **Authority** may direct), comply and be consistent with the requirements of Standard Condition C18 of the **Transmission Licence**, **The Company** shall offer to amend each **Existing CUSC Agreement** such that those agreements will, with effect from **Go-Live** (or such later date as the **Authority** may direct), become agreements for, as the case may be:

- (i) connection to and/or use of the **GB Transmission System**;
- (ii) construction of connections to the **GB Transmission System**; or
- (iii) the provision of **Mandatory Ancillary Services** in relation to the **GB Transmission System**,

and will otherwise be amended such that those agreements comply and are consistent with the requirements of Standard Condition C18 of the **Transmission Licence**.

- (f) **The Company** shall make an offer in accordance with Paragraph 12.2.6(e) to each **Existing E&W User** as soon as reasonably practicable after the date on which Standard Condition C18 of the **Transmission Licence** takes effect and, in any event, by 1 February 2005 or such later date as the **Authority** may direct for the purposes of paragraph 7(a) of Standard Condition C18 of the **Transmission Licence**.
- (g) If **The Company** and an **Existing E&W User** fail to agree changes to each of their **Existing CUSC**

Agreements either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**. If **The Company** and an **Existing E&W User** have not agreed and entered into an agreement in respect of those changes by 1 March 2005 (or such later date as the **Authority** may direct) **The Company** shall request that the **Authority** settle, and the **Authority** may so settle, any changes in dispute. If the changes in dispute to be settled by the **Authority** have not been settled by the date two weeks prior to **Go-Live** (or such later date as the **Authority** may direct), the **Existing E&W User** and **The Company** must enter into the agreement in respect of the changes in the form offered by **The Company** to the **Existing E&W User** pursuant to Paragraph 12.2.6(f), with the obligation to make any variation required as a result of the **Authority's** determination.

- (h) Each **Existing CUSC Agreement** shall be read and construed, with effect from **Go-Active**, as if the defined terms within it, and the effect of those defined terms, had been amended in accordance with the changes to its corresponding proforma exhibit to the **GB CUSC**. Each **Existing E&W User** acknowledges and agrees that the provisions of this Paragraph 12.2.6(h) shall apply notwithstanding the provisions in the **Existing CUSC Agreements** as to variation of those agreements.

12.2.7 **CUSC Agreements - Scotland:**

- (a) Each **Scottish User** shall provide, and shall permit and enable the **Relevant Transmission Licensee** to provide, to **The Company** (in each case as soon as reasonably practicable) such information (including data and details of existing contractual arrangements between the **Relevant Transmission Licensee** and that **Scottish User**) as **The Company** shall require in order to enable **The Company** to prepare the **CUSC Agreements** for that **Scottish User** (in the case of **Embedded Exemptable Large Power Stations**, including but not limited to whether the **Boundary Point Metering System** is registered (or will be so registered) in **SMRS** or **CMRS**), and agrees to **The Company** using such information (including data) for such purposes.
- (b) **The Company** shall prepare for each **Existing Scottish User** its **CUSC Agreements** as soon as

reasonably practicable after the date upon which Standard Condition C18 of the **Transmission Licence** takes effect and, in any event, by 1 February 2005 or such later date as the **Authority** may direct for the purposes of paragraph 7(a) of Standard Condition C18 of the **Transmission Licence**.

- (c) **The Company** shall prepare for each **Scottish Applicant** its **CUSC Agreements** as soon as reasonably practicable and (except where the **Authority** consents to a longer period) within the timescales set out in paragraph 7(c) of Standard Condition C18 of the **Transmission Licence**.
- (d) The **CUSC Agreements** so prepared for each **Scottish User** will be substantially in the form of those set out in Schedule 2, Exhibits 1, 2, 3, 4 and 5, and Exhibits G and H to the **GB CUSC**.
- (e) Each **Scottish User** must work with **The Company** and use reasonable endeavours to enter into each of its **CUSC Agreements** within a reasonable period of receipt of the **CUSC Agreements** prepared for it by **The Company** pursuant to Paragraphs 12.2.7(b) to 12.2.7(d).
- (f) If **The Company** and an **Existing Scottish User** fail to agree the terms of their **CUSC Agreements** either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**. If **The Company** and the **Existing Scottish User** have not agreed and entered into their **CUSC Agreements** by 1 March 2005 (or such later date as the **Authority** may direct) **The Company** shall request that the **Authority** settle, and the **Authority** may so settle, any terms in dispute. If the terms in dispute to be settled by the **Authority** have not been settled by the date two weeks prior to **Go-Live** (or such later date as the **Authority** may direct), the **Existing Scottish User** and **The Company** must enter into each of their **CUSC Agreements** in the form offered by **The Company** to the **Existing Scottish User** pursuant to Paragraph 12.2.7(b), with the obligation to make any variation required to such **CUSC Agreements** as a result of the **Authority's** determination.
- (g) If **The Company** and a **Scottish Applicant** have not entered by 1 March 2005 (or such later date as the **Authority** may direct) into each of their **CUSC**

Agreements either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**.

- (h) If it is necessary in any **Mandatory Services Agreement** entered into between an **Existing Scottish User** and **The Company** (on the basis that it is impracticable to complete the form or content using the information available on or before **Go-Live**) for such agreement to specifically provide for amendment or changes to be agreed between the parties later then, if **The Company** or the **Existing Scottish User** have failed to agree such amendment or change after any period specified for such in the **Mandatory Services Agreement**, either **The Company** or the **Existing Scottish User** may apply to the **Authority** for the **Authority** to settle such amendment or change in such manner as appears to the **Authority** to be reasonable.
- (i) Where it is not practicable for **The Company** to include any required **Mandatory Services Agreement** with the **CUSC Agreements** prepared for an **Existing Scottish User** pursuant to Paragraph 12.2.7(b) then **The Company** shall prepare such **Mandatory Services Agreement** as soon as reasonably practicable and in any event by any date directed by the **Authority** and if **The Company** and the **Existing Scottish User** have not agreed and entered into such **Mandatory Services Agreement** within one month of **The Company** issuing a proposed **Mandatory Services Agreement** to the **Existing Scottish User** then either **The Company** or the **Existing Scottish User** may apply to the **Authority** for the **Authority** to settle the content of such **Mandatory Services Agreement** in such manner as appears to the **Authority** to be reasonable.

12.2.7A **Embedded Exemptable Large Power Stations**

- (a) Without prejudice to Paragraph 12.2.7, **The Company**, **E&W Users** and **Scottish Users** shall take such steps and do such things as are within their power and as are or may be necessary or expedient in order that they will be able to comply with their obligations under or by virtue of the **CUSC** in relation to **Embedded Exemptable Large Power Stations** on and from **Go-Live**.

12.2.7A.1 If at the time of making any **Transitional Offer** ("**Transitional Offer A**") there are any unaccepted **Transitional Offers** which

if accepted would affect the terms of **Transitional Offer A** or which would be affected if **Transitional Offer A** was accepted first ("**Affected Transitional Offer**") **The Company** shall at the time of making **Transitional Offer A**:

- 12.2.7A.1.1 inform the recipient(s) of both **Transitional Offer A** and any **Affected Transitional Offers** in writing that there is another **Transitional Offer** outstanding which might affect them; and
- 12.2.7A.1.2 be entitled to make such **Transitional Offers** conditional upon other **Transitional Offers** not having been or being accepted; and
- 12.2.7A.1.3 be entitled to withdraw and vary the terms of such **Transitional Offers** if another **Transitional Offer** is accepted first by issuing a revised **Transitional Offer**.
- 12.2.7A.2 **The Company** shall notify each recipient of a **Transitional Offer** on acceptance of another **Transitional Offer** where such acceptance requires **The Company** to withdraw and revise the recipients **Transitional Offer** ("**Transitional Offer Withdrawal Date**").
- 12.2.7A.3 This revised **Transitional Offer** shall be issued as soon as practicable and in any event (except where the **Authority** consents to a longer period) a) where the **Transitional Offer** is in respect of use of system only, 28 days and b) where the **Transitional Offer** is in respect of connection or includes a **Construction Agreement**, 3 months. In either case such period starting from the **Transitional Offer Withdrawal Date**.
- 12.2.7A.4 If **The Company** and the recipient of an outstanding revised **Transitional Offer** have not entered into such revised **Transitional Offer** within one month of the date of issue by **The Company** of such revised **Transitional Offer** (or such later date as the **Authority** may direct) either party may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**.

12.2.8 **Interface Agreements:**

- (a) **The Company** will advise each **Existing Scottish User** as soon as reasonably practicable and in any event by the date **The Company** prepares for each **Existing Scottish User** its **CUSC Agreements** pursuant to Paragraph 12.2.7(b) as to whether an **Interface**

Agreement is required between the **Existing Scottish User** and the **Relevant Transmission Licensee**.

- (b) Where so notified, the **Existing Scottish User** will enter into discussions with the **Relevant Transmission Licensee** as advised by **The Company** and use all reasonable endeavours to enter into an **Interface Agreement** in substantially the form of Exhibit O Part IB or IIB to the **GB CUSC** as appropriate with the **Relevant Transmission Licensee** by **Go-Live** (or such later date as the **Authority** may direct). **The Company** shall procure that the **Relevant Transmission Licensee** uses all reasonable endeavours to enter into an **Interface Agreement** in such form with the **Existing Scottish User** by **Go-Live** (or such later date as the **Authority** may direct).

12.2.9 **Connection Charges Security - Scotland:**

- (a) Where an **Existing Scottish User** does not meet the **The Company Credit Rating**, **The Company** shall provide to the **Existing Scottish User** a **Bi-annual Estimate** as provided for in Paragraph 2.21.2, except that it shall cover the period from **Go-Live** to 30 September 2005 (or such other date as approved by the **Authority**).
- (b) The **Existing Scottish User** shall put in place by 17 February 2005 (or such other date as approved by the **Authority**) security in accordance with Paragraph 2.20.4 and the other provisions of Section 2.

12.2.10 **Use of System Charges Security - Scotland:**

- (a) Each **Existing Scottish User** to be using the **GB Transmission System** shall by 17 January 2005 (or such other date as approved by the **Authority**) confirm to **The Company** whether it meets the **The Company Credit Rating**.
- (b) Where an **Existing Scottish User** who is a **Supplier** or an **Interconnector Owner** confirms to **The Company** that it does not meet the **The Company Credit Rating**, it shall provide at the same time as such confirmation its **Demand Forecast** for the **Financial Year 2005/6**.
- (c) Where an **Existing Scottish User** does not meet the **The Company Credit Rating**, **The Company** will notify the **Existing Scottish User** of the amount of **Security**

Cover to be provided by it given the forecast under Paragraph 12.2.10(b) and **The Company's** estimate of the **Balancing Services Use of System Charges** for in the case of a **Generator** the 29-day period and in the case of a **Supplier** the 32-day period in each case from **Go Live** (or such later date as the **Authority** may direct), on the basis of, and in the manner set out in, Paragraph 3.22.2, except that the periods referred to in Paragraphs 3.22.2(b) and 3.22.2(c) shall begin from **Go-Live** (or such later date as the **Authority** may direct).

- (d) The **Existing Scottish User** shall put in place by 17 February 2005 (or such other date as approved by the **Authority**) security in respect of the **Security Cover** in accordance with Paragraph 3.21.3 and the other provisions of Section 3.

12.2.11 ***Balancing Services Issues:***

- (a) *Part 2 System Ancillary Services:* Where Appendix F1 of a **Bilateral Agreement** identifies the need for a **Scottish User** to enter into an agreement for **Part 2 System Ancillary Services**, the **Scottish User** and **The Company** shall both use reasonable endeavours to agree to put an agreement in place by **Go-Live**.
- (b) *Reactive Tender:* The provisions of Schedule 3 paragraph 3 shall apply in respect of each **Scottish User** provided that **The Company** has received from such **User** the necessary historical data to enable it to assess any tender and that the **Mandatory Services Agreement** to be entered into by the parties pursuant to Paragraph 12.2.7 has been entered into, or where not entered into, the relevant schedules to those agreements have been agreed (and in such a case the reference to the **Mandatory Services Agreement** in Schedule 3 shall be deemed to be a reference to the **Mandatory Services Agreement** to be entered into).

12.2.12 ***Verification of Data etc:***

- (a) **The Company** shall be entitled to request from a **Scottish User** (which shall comply as soon as reasonably practicable with such a request) confirmation and verification of any information (including data) which has been supplied to **The Company** by a **Relevant Transmission Licensee** in relation to that **Scottish User** for the purposes of

creating the **CUSC Agreements** for that **Scottish User**.

- (b) **The Company** shall be entitled to request from a **Scottish User** (which shall comply as soon as reasonably practicable with such a request) confirmation and verification of any information (including data) that has been received by a **Relevant Transmission Licensee** under a grid code and passed on to **The Company** in respect of that **Scottish User**.

12.2.13 **Confidentiality:**

- (a) During the **Transition Period** the **Scottish Users** shall comply with the confidentiality provisions set out in Paragraph 6.15 with respect to any information (including data) supplied to such **User** by **The Company** during the **Transition Period**, with such information (including data) being **Confidential Information**. After **Go-Live** such information (including data) will continue to be **Confidential Information** under the **GB CUSC**.
- (b) During the **Transition Period** **The Company** shall comply with the confidentiality provisions set out in Paragraph 6.15 with respect to any information (including data) supplied to it by a **Scottish User**, or a **Relevant Transmission Licensee** in respect of a **Scottish User**, during the **Transition Period**, with such information (including data) being **Protected Information**. After **Go-Live** such information (including data) will continue to be **Protected Information** under the **GB CUSC**.
- (c) Each **Scottish User** agrees that each **Relevant Transmission Licensee** can provide to **The Company**, and that **The Company** can utilise, such information (including data) relating to that **Scottish User** (including details of the existing contractual arrangements between the **Relevant Transmission Licensee** and that **User**) as **The Company** shall require to enable **The Company** to prepare the **CUSC Agreements** for such **User** and otherwise prepare for **Go-Live**.
- (d) Each **Scottish User** agrees that any information (including data) held or received by the **Relevant Transmission Licensee** in respect of that **User** under the relevant grid code prior to **Go-Live** can be passed

onto **The Company** by the **Relevant Transmission Licensee**, and used by **The Company** in the same way as it would be able to use the information (including data) if it had been passed to it under the **GB Grid Code** itself.

- (e) Each **E&W User** and each **Scottish User** agrees that any information (including data) held or received by **The Company** in respect of that **User** under these transition provisions or the **GB Grid Code** prior to the end of the **Transition Period** can be passed onto the **Relevant Transmission Licensee** by **The Company** and used by the **Relevant Transmission Licensee** in the same way as it would be able to use the information (including data) if it had been passed to it by **The Company** under the **STC**, the **GB CUSC** (other than this Section 12) and the **GB Grid Code**.

12.2.14 *Amendments/Panel:*

- (a) The individuals whose names are notified to **The Company** by the **Authority** prior to **Go-Active** as **Panel Members** and **Alternate Members** are agreed by the **CUSC Parties** (including **Scottish Users**) to constitute the **Panel Members** and **Alternate Members** of the **Amendments Panel** as at the first meeting of the **Amendments Panel** after **Go-Active** as if they had been elected as **Panel Members** and **Alternate Members** pursuant to Paragraphs 8.3 and 8.6 and Annex 8A.
- (b) For the avoidance of doubt, the term of office of the **Panel Members** and **Alternate Members** whose names are notified to **The Company** in accordance with Paragraph 12.2.14(a) shall expire on 30 September 2005.
- (c) The provisions of Section 8 shall apply to, and in respect of, **Scottish Users** from **Go-Active**.
- (d) The provisions of Section 8 shall not apply in respect of amendments to this Section 12 during the **Transition Period**.
- (e) The provisions of Section 8.23.5 shall not apply in respect of amendments to the **CUSC** designated by the **Secretary of State** in accordance with the provisions of the Energy Act 2004 for the purposes of Standard Condition C10 of the **Transmission Licence** or in

respect of amendments to the **GB CUSC** made during the **Transition Period** pursuant to paragraph 8 of Standard Condition C10 of the **Transmission Licence**.

- 12.2.15 **Liability & Jurisdiction:** The provisions of Paragraphs 6.12 (Limitation of Liability) and 6.23 (Jurisdiction) shall apply to and be complied with by the **Scottish Users**.
- 12.2.16 **Reconciliation Provisions: Users** acknowledge, for the avoidance of doubt, that the reconciliation provisions in relation to **Transmission Network Use of System Charges** (Paragraph 3.13), **Balancing Services Use of System Charges** (Paragraph 3.16) and **Site Specific Maintenance Charge** (Paragraph 2.14.5) in respect of reconciliation of charges relating to **Financial Year 2004/5** will not apply in respect of **Scottish Users**.
- 12.2.17 **Interim GB SYS:** Where requirements are stated in, or in relation to, the **GB CUSC** with reference to the **The Company Seven Year Statement**, they shall be read and construed as necessary as being with reference to the **Interim GB SYS**.
- 12.2.18 **Dormant CUSC Parties:** For the avoidance of doubt, **Scottish Users** shall not be treated as **Dormant CUSC Parties** during the **Transition Period** but shall have rights and obligations as provided for in this Section 12.
- 12.2.19 **Compliance during Transition Period:** From the end of the **Transition Period Users** shall comply with their respective obligations under the **GB CUSC** with compliance in accordance with Section 12 during the **Transition Period** being deemed as meeting the requirements of the **GB CUSC** in that period.
- 12.2.20 **Communications:** As soon as practicable after **Go-Active** each **Existing Scottish User** who is to be a **BSC Party** shall comply with its obligations under Paragraph 6.8 such that those obligations have been met before **Go-Live**.
- 12.2.21 **General Provisions:** The provisions of Paragraphs 6.3 (Compliance with Grid Code/Distribution Code), 6.5.1(c) (CUSC Agreements – Scotland), 6.18 (Intellectual Property), 6.21 (Notices), 6.22 (Third Party Rights), 6.24 (Counterparts), 6.25 (Governing Law), 6.26 (Severance of Terms), 6.27 (Language) and 6.29 (BSC) shall apply to and be complied with by **Scottish Users**.
- 12.2.22 **Reversion to Pre-Go-Active Provisions:** During the **Transition Period E&W Users** and **The Company** shall comply with and be subject to the provisions of the following

Paragraphs as though in place of the provisions of those Paragraphs as amended by the changes designated by the **Secretary of State**:

- (a) the words “and\or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence **The Company**” had been deleted from the initial lines of Paragraph 5.4.4;
- (b) the words “and\or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in material breach of its transmission licence” had been deleted from Paragraph 5.4.5(a)(iv);
- (c) the words “and\or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence” had been deleted from Paragraph 5.9.5;
- (d) the words “(and in respect of licence obligations contained within Section D of a transmission licence, procure that a **Relevant Transmission Licensee** shall) make available, plan, develop, operate and maintain the **GB Transmission System** in accordance with the transmission licences” had been deleted from Paragraph 6.2 and replaced therein by the words “make available, plan, develop, operate and maintain the **The Company Transmission System** in accordance with the **The Company Transmission Licence**”; and
- (e) all the words had been deleted from Paragraph 6.29 and replaced by the words “Each and every **User** connected to or using the **The Company Transmission System** shall be a **BSC Party** except for **Non-Embedded Customers** being supplied by a **Trading Party**.”

12.2.23 **Disputes:** For the avoidance of doubt, any disputes in relation to rights and obligations of **The Company** or **Users** under the **CUSC** which have accrued before the end of the **Transition Period** shall be resolved in accordance with the relevant provisions of the **CUSC** as in force immediately prior to the end of the **Transition Period**.

12.2.24 **Use of Information:** In relation to **E&W Users** and **Scottish Users**, any information (including data) held or received by **The Company** in respect of such **E&W User** or **Scottish User**

under this Section 12 prior to the end of the **Transition Period** shall be treated and can be used thereafter as though provided to **The Company** under the enduring provisions of the **GB CUSC**.

12.3 CUT-OVER

12.3.1 It is anticipated that it will be appropriate for arrangements to be put in place for final transition to **BETTA** in the period up to and following (for a temporary period) **Go-Live**, for the purposes of:

- (a) managing the transition from operations under the **CUSC** as in force immediately prior to **Go-Active** to operations under the **GB CUSC** as in force on and after **Go-Active**;
- (b) managing the transition from operations under the Scottish equivalent(s) of the **CUSC Agreements** as in force immediately prior to **Go-Active** to operations under the **GB CUSC** as in force on and after **Go-Active**;
- (c) managing the transition of certain data from operations under the Scottish equivalent(s) of the **CUSC Agreements** before and after **Go-Active**; and
- (d) managing **GB CUSC** systems, processes and procedures so that they operate effectively at and from **Go-Live**.

12.3.2 *Charging Issues*

- (a) Each **Scottish User** who is a **Supplier** or an **Interconnector Owner** who is intending to use the **GB Transmission System** at **Go-Live** shall provide to **The Company** by 10th March 2005 its **Demand Forecast** for the **Financial Year** 2005/6 (or any update of the **Demand Forecast** submitted under Paragraph 12.2.10(b)) so as to enable **The Company** to calculate the **Transmission Network Use of System Charges** for such **User** for the **Financial Year** 2005/6.
- (b) **The Company** shall be entitled to use the **Transmission Entry Capacity** as set out in an **Existing Scottish User's** accepted **Bilateral Agreement** as at 18 March 2005 or, if such **Bilateral Agreement** has not been accepted by 18 March 2005, the **Transmission Entry Capacity** set out in the **Bilateral Agreement** as offered to that **Existing**

Scottish User as of 18 March 2005 for the purpose of **The Company** calculating that **Scottish User's Transmission Network Use of System Charges** for the **Financial Year** 2005/6.

Appendix

Matters Potentially Requiring Amendments to GB CUSC

1. The specific detail of the obligations needed to manage implementation in the period up to and following (for a temporary period) **Go-Live** to achieve the change to operation under the **GB CUSC** (to be included in Paragraph 12.3).
2. The conclusions of Ofgem/DTI in relation to small and/or embedded generator issues under **BETTA** and allocation of access rights on a **GB** basis.
3. The introduction of the **GB Charging Statements**.
4. Issues arising out of the process to create the **CUSC Agreements** (Paragraph 12.2.7).
5. Any arrangements to enable **The Company** to shadow applications to and offers by **Relevant Transmission Licensees**.
6. Issues arising out of the process to create **Interface Agreement(s)** to apply between a **Scottish User** and a **Relevant Transmission Licensee**, substantially in the form of Exhibit O Parts IB and IIB to the **GB CUSC**.
7. The outcome of discussions between **The Company** and any **Relevant Transmission Licensee** regarding putting in place agreements relating to nuclear site licences for **Connection Sites** in Scotland.

END OF SECTION 12