

List of changes made to the Connection Use of System Code as part of the ETO and ESO separation

SECTIONS

This table shows the changes made to the Sections of the Connection Use of System Code associated with the approval and implementation of CMP293 and CMP294 (Modifications relating to the transfer of the system operator role from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited). It shows insertions and deletions (with a strike through). Please note that the table formatting does not replicate the bolding of definitions as seen in the CUSC itself. This table is intended to provide a helpful summary of the changes but for further detail and context you can refer to the updated Sections published in full alongside this table.

As noted in the consultation a novation agreement has also been published and this deals with the transfer of the system operator role from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited.

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
1	1.1.1	<u>The Company is obliged by the Transmission Licence to maintain the CUSC and to enter into arrangements for connection and use of system with Users pursuant to its terms.</u>	
1	1.8.2(b)	that any methods by which <u>the Relevant Transmission Licensee's</u> The Company's transmission system is connected to any other System for the transmission or distribution of electricity accord (insofar as applicable to The Company) with the Grid Code, the STC and the Distribution Code;	
2	2.10.1	In relation to a Connection Site in England and Wales The Company and each User will each supply to the other and in relation to a Connection Site in Scotland or Offshore The Company shall procure that the Relevant Transmission Licensee supplies to the User a copy of their Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety Instructions applicable at each Connection Site from time to time.	

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2	2.10.2	In relation to a Connection Site in Scotland or Offshore each User will supply to the Relevant Transmission Licensee a copy of their Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety Instructions applicable at each Connection Site from time to time.	
2	2.11.1	In relation to Connection Sites and New Connection Site(s) in England and Wales The Company and each User undertake to enter into an Interface Agreement with each other and in relation to Connection Sites and New Connection Sites(s) in Scotland or Offshore The Company shall procure that the Relevant Transmission Licensee shall enter into an Interface Agreement with a User in either case in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.	
2	2.11.2	In relation to Connection Sites and New Connection Site(s) in Scotland or Offshore the User undertakes to enter into an Interface Agreement with the Relevant Transmission Licensee in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.	
4	4.1.2.6	In order to comply with its obligations contained in Grid Code OC 5, The Company may use its Operational Metering Equipment, or Operational Metering Equipment owned by a Relevant Transmission Licensee in accordance with Paragraph 6.7.3 to ensure that, in respect of each BM Unit, a User is complying with its obligations to provide the Obligatory Reactive Power Service both in accordance with the Grid Code and in accordance with the terms of the Mandatory Services Agreement.	

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4	4.5.1	The provisions of this Paragraph 4.5 shall apply to payments made by NGC <u>The Company</u> to a User pursuant to Paragraphs 4.2A.4(a) and (c) in respect of the provision of System to Generator Operational Intertripping, and (if agreed between The Company and a User) may be incorporated by reference into any other Balancing Services Agreement (other than a Mandatory Services Agreement) as a term thereof so as to apply in respect of payments made by The Company to that User in respect of the provision of other Balancing Services (other than Mandatory Ancillary Services) (but for the avoidance of doubt not so as to thereby create any obligations on The Company and that User under the CUSC in respect thereof).	
5	5.3.4(a)(i)	in the case of Connection Sites Onshore in England and Wales, on The Company's land or, in the case of Connection Sites in Scotland on the Relevant Transmission Licensee's land (as appropriate) within 6 months or such longer period as may be agreed between the User and The Company or the Relevant Transmission Licensee (as appropriate) ; or	
5	5.3.4(b)(i)	Connection Sites Onshore in England and Wales, The Company shall remove and, in the case of Connection Sites in Scotland, The Company shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the User's land within 6 months or such longer period as may be agreed between the User and The Company or the Relevant Transmission Licensee (as appropriate) ; or	
5	5.4.1	If a User shall be in breach of any of the provisions of the relevant Bilateral Agreement, or the provision of the CUSC in relation to that particular connection to and/or use of the National Electricity Transmission System, or (other than in relation to a Supplier, a Small Power Station Trading Party, an Interconnector User or an Interconnector Error Administrator) of the provisions of the CUSC enforcing the	This reflects the principle already set out in 5.4.4 and is being introduced for necessary clarity given the legal separation of the system

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		provisions of the Grid Code (but subject always to Paragraphs 6.3.3 and 6.3.4), and such breach causes or can reasonably be expected to cause a material adverse effect on the business or condition of The Company, a Relevant Transmission Licensee or other Users or the National Electricity Transmission System or any User Systems then The Company may:-	operator
5	5.4.3(a)(i)	a User fails to comply with any valid notice served on it by The Company in accordance with Paragraph 5.4.1(a) or is in breach of any undertaking given in accordance with Paragraph 5.4.1(b) and such breach causes or can be reasonably expected to cause a material adverse effect on the business or condition of The Company, a Relevant Transmission Licensee or other Users of the National Electricity Transmission System or any User System; or	This reflects the principle already set out in 5.4.4 and is being introduced for necessary clarity given the legal separation of the system operator
5	5.4.5(iii)	in the case of a De-energisation under 5.4.3 ceasing to be of a nature which can reasonably be expected to cause a material adverse effect on the business or condition of The Company, a Relevant Transmission Licensee or other Users of the National Electricity Transmission System; or	This reflects the principle already set out in 5.4.4 and is being introduced for necessary clarity given the legal separation of the system operator
5	5.4.7(aa)	in the case of Connection Sites in England and Wales, on The Company's or, in the case of Connection Sites in Scotland, on the Relevant Transmission Licensee's land (as appropriate) Onshore within six (6) months of the date of termination or such longer period as may be agreed between The Company or the Relevant Transmission Licensee (as appropriate) and the relevant User; or	
5	5.4.7(iii)	in the case of Connection Sites in England and Wales, The Company shall remove and, in the case of Connection Sites in Scotland Onshore , The Company shall	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned within 6 months or such longer period as may be agreed between the User and The Company or the Relevant Transmission Licensee (as appropriate) ; and,	
5	5.5.5.1(aa)(i)	in the case of Connection Sites in England and Wales, on The Company's or, in the case of Connection Sites in Scotland <u>Onshore</u> , on the Relevant Transmission Licensee's land (as appropriate) within 6 months of the date of termination or such longer period as may be agreed between The Company or the Relevant Transmission Licensee (as appropriate) and the User; or	
5	5.5.5.1(bb)	in the case of Connection Sites in England and Wales, The Company shall remove and, in the case of Connection Sites in Scotland <u>Onshore</u> , The Company shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned within 6 months or such longer period as may be agreed between the User and The Company or the Relevant Transmission Licensee (as appropriate) ; and	
5	5.7.3	<p>Within 6 months of the date of such termination or such longer period as may be agreed between The Company and the User in the case of Connection Sites in England and Wales, and/or between the Relevant Transmission Licensee and the User in the case of Connection Sites in Scotland <u>Onshore</u>:</p> <p>(a) the User shall remove any of the User's Equipment on, in the case of Connection Sites in England and Wales, The Company's or, in the case of Connection Sites in Scotland <u>the</u>, Relevant Transmission Licensee's land (as appropriate); and</p> <p>(b) in the case of Connection Sites in England and Wales, The Company shall</p>	

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		remove and, in the case of Connection Sites in Scotland, The Company shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned.	
6	6.2	The Company agrees with each User to (and in respect of licence obligations contained within Section D or Section E of a transmission licence, procure that a Relevant Transmission Licensee shall) make available, plan, develop, operate and maintain the National Electricity Transmission System in accordance with the € Transmission £ licences and with the Grid Code subject to any Derogations from time to time.	Housekeeping amendment made for clarity.
6	6.7.8	The User shall have the right to collect and record pulses from the meters comprised in the Energy Metering System(s) at the Connection Site. In relation to Connection Sites in England and Wales, The Company shall give the User access in accordance with the Interface Agreement to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary. In relation to Connection Sites in Scotland or Offshore, The Company shall procure that the Relevant Transmission Licensee shall give the User access in accordance with the Interface Agreement to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary.	
6	6.15.1.4	The Company undertakes to each of the other CUSC Parties that, having regard to the activities in which any Business Person is engaged and the nature and effective life of the Protected Information divulged to him by virtue of such activities, neither The Company nor any of its subsidiaries shall unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Protected Information or permit Protected Information to be divulged by any subsidiary of The Company to any Business Person: (a) who has notified The Company or the	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p>relevant subsidiary of his intention to become engaged as an employee or agent of any other person (other than of The Company or any subsidiary thereof) who is:</p> <p>(ia) authorised by licence or exemption to generate, transmit, distribute or supply electricity; or</p> <p>(iib) an electricity broker or is known to be engaged in the writing of electricity purchase contracts (which shall include the entering into or acquiring the benefit of a contract conferring rights or obligations including rights and obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time); or</p> <p>(iiic) known to be retained as a consultant to any such person who is referred to in (i) or (ii) above; or</p> <p>—(b) who is to be transferred to the Generation Business, save where The Company or such subsidiary could not, in all the circumstances, reasonably be expected to refrain from divulging to such Business Person Protected Information which is required for the proper performance of his duties.</p>	
9	9.13.1	<p>In relation to a Connection Site in England and Wales The Company and the User will each supply to the other and in relation to a Connection Site in <u>Scotland Onshore</u> The Company shall procure that the Relevant Transmission Licensee supplies to the User a copy of their Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety Instructions applicable at each Connection Site from time to time.</p>	
9	9.13.2	<p>In relation to a Connection Site Onshore in Scotland each User will supply to the Relevant Transmission Licensee a copy of their Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety</p>	

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		Instructions applicable at each Connection Site from time to time.	
9	9.14.1	In relation to Connection Sites and New Connection Sites in England and Wales The Company and the User undertake to enter into an Interface Agreement with each other and in relation to Connection Sites and New Connection Sites in <u>Scotland Onshore</u> The Company shall procure that the Relevant Transmission Licensee shall enter into an Interface Agreement with a User in either case in a form to be agreed between them but based substantially on the forms set out in Schedule 2 as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.	
9	9.14.2	In relation to Connection Sites and New Connection Sites in Scotland Onshore the User undertakes to enter into an Interface Agreement with the Relevant Transmission Licensee in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.	
10	Introduction	<u>Part 2 CUSC MODIFICATION PROPOSAL CMP293 and CMP294 (Modifications relating to the transfer of the system operator functions from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited) Transition</u>	
10	10.1.1	This Section 10, <u>Part 1</u> , deals with issues arising out of the _____ transition associated with the approval and implementation of CMP 223. For the purposes of this Section 10, <u>Part 1</u> , the version of the CUSC as amended by CMP 223 shall be referred to as the “Post CMP	

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		223 CUSC” and the version of the CUSC prior to amendment by CMP 223 shall be referred to as the “Pre CMP 223 CUSC”.	
10	10.1.2	CMP 223 affects Users in the category of (a) an Embedded Power Station which is the subject of a Bilateral Embedded Generation Agreement and (b) a Distribution System directly connected to the National Electricity Transmission System where there is an Associated DNO Construction Agreement and references to User in this Section 10, <u>Part 1</u> , shall be construed accordingly.	
10	10.1.3	<u>Part 1 of</u> this Section sets out the arrangements such that by the CMP 223 Transition Period End Date:	
10	10.1.4	This Section 10, <u>Part 1</u> , comprises: (a) this Introduction; and (b) CMP 223 transition issues.	
10	10.1.5	The provisions of the Post CMP 223 CUSC shall be suspended (except as specifically provided for in this Section 10, <u>Part 1</u> , and for the purposes of interpretation and definitions and for enabling the doing of anything which may require to be done in relation to <u>but</u> in advance of the CMP 223 Transition Period End Date to	

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		<p>achieve the objectives at 10.1.4) in respect of the Users until the CMP 223 Transition Period End Date. Any termination of an Existing Associated DNO Construction Agreement or Existing BEGA Construction Agreement or reduction in Transmission Entry Capacity or Developer Capacity which takes effect prior to or on the CMP 223 Transition Period End Date shall therefore be dealt with, and the rights and obligations of The Company and the User to each other, shall be as provided for in the Existing Associated DNO Construction Agreement or Existing BEGA Construction Agreement.</p>	
10	10.1.6	In this Section 10, Part 1 :	
10	10.1.6(f)	the term “CMP 223 Transition Period”, shall mean the period from the CMP 223 Implementation Date ending on and including the CMP 223 Transition Period End Date and is the period with which this Section 10, Part 1 deals;	
10	10.1.8	Without prejudice to any specific provision under this Section 10, Part 1 as to the time within which or the manner in which The Company or a User should perform its obligations under this Section 10, Part 1 , where The Company or a User is required to take any step or measure under this Section 10, Part 1 , such requirement shall be construed as including any obligation to:	
10	Part 2	<p style="text-align: center;">Part 2</p> <p>10.3 Introduction</p> <p>10.3.1 This Section 10, Part 2 deals with issues arising out of the transition associated with the approval and implementation of CMP293 and</p>	

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		<p><u>CMP294 (Modifications relating to the transfer of the system operator role from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited).</u></p> <p><u>10.3.2 This Section 10, Part 2 sets out the arrangements such that:</u></p> <p>(a) <u>the rights and obligations of National Grid Electricity Transmission plc (No: 2366977 whose registered office is at 1-3 Strand, London WC2N 5EH) under the CUSC and the CUSC Agreements will be novated to National Grid Electricity System Operator Limited (No: 11014226 whose registered office is at 1-3 Strand, London WC2N 5EH) to reflect the Transfer of the System Operator Role;</u></p> <p>(b) <u>certain amendments are made to the CUSC Agreements to reflect the Transfer of the System Operator Role; and</u></p> <p>(c) <u>each CUSC Party will co-operate in relation to the transition.</u></p> <p><u>10.3.3 The provisions of the Post CMP293 and CMP294 CUSC shall be suspended until the SO Transfer Date except for this Section 10, Part 2 (which will take immediate effect).</u></p> <p><u>10.3.4 In this Section 10, Part 2:</u></p> <p>(a) <u>the term “CMP293 and CMP294” shall mean CUSC Modification Proposal 293 and 294 (Modifications relating to the transfer of the system operator role from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited);</u></p>	

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		<p>(b) <u>the term “CUSC Agreement” shall mean each or any of the agreements listed in Paragraph 10.4.3;</u></p> <p>(c) <u>the term “Post CMP293 and CMP294 CUSC” means the version of the CUSC as amended by CMP293 and CMP294;</u></p> <p>(d) <u>the term “Pre CMP293 and CMP294 CUSC” means the version of the CUSC prior to amendment by CMP293 and CMP294;</u></p> <p>(e) <u>the term “SO Transfer Date” means the date and time on which the Transmission Licence granted to National Grid Electricity Transmission plc is transferred in part to National Grid Electricity System Operator Limited to effect the Transfer of the System Operator Role; and</u></p> <p>(f) <u>the term “Transfer of the System Operator Role” means the transfer, by means of the transfer in part of the Transmission Licence granted to National Grid Electricity Transmission plc, of the system operator role to National Grid Electricity System Operator Limited.</u></p> <p><u>10.3.5 Without prejudice to any specific provision under this Section 10, Part 2 as to the time within which or the manner in which any CUSC Party should perform its obligations under this Section 10, Part 2, where a CUSC Party is required to take any step or measure under this Section 10, Part 2, such</u></p>	

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		<p><u>requirement shall be construed as including any obligation to:</u></p> <p style="padding-left: 40px;"><u>(a) take such step or measure as quickly as reasonably practicable; and</u></p> <p style="padding-left: 40px;"><u>(b) do such associated or ancillary things as may be necessary to complete such step or measure as quickly as reasonably practicable.</u></p> <p><u>10.4 CMP293 and CMP294: NOVATION OF CUSC AGREEMENTS</u></p> <p><u>10.4.1 National Grid Electricity Transmission plc and National Grid Electricity System Operator Limited shall each enter into a novation agreement in the form published by National Grid Electricity Transmission plc as part of the CMP293 and CMP294 process.</u></p> <p><u>10.4.2 Such novation agreement will, with effect from the SO Transfer Date, novate to National Grid Electricity System Operator Limited all rights and obligations of National Grid Electricity Transmission plc under the agreements referred to in Paragraph 10.4.4 (including all rights, obligations and liabilities of National Grid Electricity Transmission plc that may have accrued in respect of the period prior to the SO Transfer Date) as more specifically provided for in the novation agreement.</u></p> <p><u>10.4.3 Such novation agreement shall be in respect of each CUSC Agreement, being the following:</u></p> <p style="padding-left: 40px;"><u>1.1.1 the CUSC Framework Agreement;</u></p> <p style="padding-left: 40px;"><u>1.1.2 all Bilateral Agreements</u></p>	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p>1.1.3 all Construction Agreements;</p> <p>1.1.4 all Mandatory Services Agreements; and</p> <p>1.1.5 all Transmission Related Agreements.</p> <p>10.4.4 National Grid Electricity Transmission plc shall enter into such novation agreement in (to the extent applicable) its own right, and also (to the extent applicable) on behalf of the CUSC Parties.</p> <p>10.4.5 Each CUSC Party hereby irrevocably and unconditionally authorises National Grid Electricity Transmission plc to execute and deliver, on behalf of such CUSC Party, a novation agreement as envisaged by this section.</p> <p>10.4.6 Each CUSC Party shall do all such things as The Company may reasonably request in relation to the novation of the agreements referred to in Paragraph 10.4.3 from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited, whether before or after the Transfer Date, including to such things as may be necessary or desirable to facilitate the novation.</p> <p>10.5 CMP293 and CMP294: AMENDMENTS TO CUSC AGREEMENTS</p> <p>10.5.1 Each CUSC Agreement shall be read and construed, with effect from SO Transfer Date, as if it had been amended in accordance with any changes to its corresponding proforma exhibit to the Post CMP293 and CMP294 CUSC and National Grid Electricity System Operator Limited will enter into the necessary agreements in this respect with National Grid Electricity Transmission plc pursuant to the STC. Each CUSC Party acknowledges and agrees that the provisions of this Paragraph 10.5.1 shall apply notwithstanding the provisions in the</p>	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p><u>CUSC Agreements as to variation of those agreements.</u></p> <p><u>10.5.2 Each CUSC Agreement shall be read and construed such that any obligation, arising prior to the SO Transfer Date, to provide or renew security in respect of the Security Period commencing on the SO Transfer Date shall be construed to require the security to be provided to or renewed in the name of National Grid Electricity System Operator Limited in accordance with the process notified by National Grid Electricity Transmission plc.¹</u></p> <p><u>10.5.3 The CUSC and each CUSC Agreement shall be read and construed such that any general obligations regarding the provision of security shall be construed to require the replacement of any existing security to be provided in the name of National Grid Electricity Transmission System Operator Limited not less than 75 (seventy five) days (or if such day is not a Business Day the next following Business Day) prior to 31 March 2019 and effective from the SO Transfer Date in accordance with the process notified by National Grid Electricity Transmission plc.²</u></p> <p><u>10.5.4 In the context of any Site Responsibility Schedule³ in existence at the SO Transfer Date and which would require, following the Transfer of the System Operator Role, the signature of either National Grid Electricity System Operator Limited instead of National Grid Electricity Transmission plc or both the signature of National Grid Electricity System Operator Limited and National Grid Electricity Transmission</u></p>	

¹ This is required to ensure that the security for termination amounts/final sums/cancellation charges is in the right place at the right time.

² This is necessary to address security provisions for BSUOS and TNUOS Demand charges

³ To be confirmed if there is anything else of a similar nature to be included.

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p><u>plc, National Grid Electricity System Operator Limited and National Grid Electricity Transmission plc acknowledge and the other Parties agree that the signature of National Grid Electricity Transmission plc on such Site Responsibility Schedule shall be considered to be the signature of National Grid Electricity System Operator Limited and/or National Grid Electricity Transmission plc as appropriate.</u></p> <p><u>10.6 CMP293 and CMP294: TRANSITIONAL ISSUES⁴</u></p> <p><u>10.6.1 Each CUSC Party shall take such steps and do such things in relation to the CUSC and the CUSC Agreements as are within its power and as are necessary or appropriate in order to give full and timely effect to the Transfer of the System Operator Role.</u></p> <p><u>10.6.2 Each CUSC Party agrees that all things done by National Grid Electricity Transmission plc pursuant to CUSC prior to the SO Transfer Date (including but not limited to the making of offers, the provision of reports and statements and the serving of notices) shall be deemed to have been done by National Grid Electricity System Operator Limited and all things received by National Grid Electricity Transmission plc pursuant to CUSC (including but not limited to applications and notices) shall be deemed to have been received by National Grid Electricity System Operator Limited.</u></p> <p><u>10.6.3 In particular:</u></p> <p><u>10.6.3.1 Users acknowledge and agree that National Grid Electricity Transmission plc can exchange information and data submitted by Users under the CUSC prior to the SO Transfer</u></p>	

⁴ Are there any other transitional issues to be covered?

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p>Date with National Grid Electricity System Operator Limited to the extent necessary to enable the transition of the system operator role from National grid Electricity Transmission plc to National Grid Electricity System Operator Limited;</p> <p>10.6.3.2 National Grid Electricity Transmission plc will identify and publish as soon as practicable and in any event prior to 31 January 2019 any requirements on Users necessary to manage the transition of the operations, systems, process and procedures and the rights and obligations relating to the Transfer of the SO Role under the CUSC from National Grid Electricity Transmission plc to National Grid Electricity System Operator Limited.</p>	
11	11.2.8	<p>11.2.8 Obligations on The Company shall be interpreted as obligations to procure that the Relevant Transmission Licensee fulfils such obligations, where relevant.</p>	
11	11.3 definitions - "Connection Site Demand Capability"	<p>the capability of a Connection Site to take power to the maximum level forecast by the User from time to time and forming part of the Forecast Data supplied to The Company pursuant to the Grid Code together with such margin as The Company shall in its reasonable opinion consider necessary having regard to The Company's duties under itsthe Transmission Licence;</p>	
11	11.3 definitions - "Embedded"	<p>in the context of the Charging Methodologies it shall mean a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Relevant Transmission Licensee (but with no other connection to the National Electricity Transmission System);</p>	

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11	11.3 definitions - "Generation Business"	"Generation Business"	Removed as the businesses referred to are no longer within national grid
11	11.3 definitions - "Main Business"	any business of The Company or any of its subsidiaries as at the Transfer Date or which it is required to carry on under the Transmission Licence, other than the Generation Business ;	
11	11.3 definitions - "NGET"	<u>"NGET" National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH;</u>	
11	11.3 definitions - "Nuclear Site Licence Provision Agreement"	shall mean each of the following agreements (as from time to time amended) (a) the agreement between The Company <u>NGET</u> and Magnox Electric plc (formally called Nuclear Electric plc) dated 30 March 1990, (b) the agreement between The <u>Company</u> <u>NGET</u> and British Energy Generation Limited dated 31 March 1996, (c) the agreement between SP Transmission Limited and British Energy Generation (UK) Limited dated 29 May 1991 in relation to Hunterston power station and Torness power station, and (d) the agreement between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station.;	
11	11.3 definitions - "Onshore Transmission Licensee"	<u>"Onshore Transmission Licensee" means NGET, Scottish Hydro Electric Transmission plc, SP Transmission plc or such other person in relation to whose transmission licence the Standard Conditions in Section D (transmission owner standard conditions) have been given effect;</u>	
11	11.3 definitions -	means <u>in respect of the Onshore Transmission System</u> SP Transmission Limited in	Bold housekeeping change

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	“Relevant Transmission Licensee”	south of Scotland, Scottish Hydro- Electric Transmission Limited in north of Scotland <u>each Onshore Transmission Licensee in respect of its part of the Onshore Transmission System</u> and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System;	made for clarity
11	11.3 definitions - “Remote Transmission Assets”	any Plant and Apparatus or meters owned by NGET <u>The Company</u> , which (a) are embedded in a Distribution System or a User System and which are not directly connected by Plant and/or Apparatus owned by The Company <u>NGET</u> to a sub-station owned by The Company <u>NGET</u> and (b) are by agreement between The Company <u>NGET</u> and such Public Distribution System Operator or User under the direction and control of such Public Distribution System Operator or User;	
11	11.3 definitions - “Safety Coordinator”	a person or persons nominated by The Company and each User in relation to Connection Points (as defined in the Grid Code) (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface Points) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface Points) in Scotland or Offshore to be responsible for the co-ordination of Safety Precautions (as defined in the Grid Code) at each Connection Point when work and/or testing is to be carried out on a system which necessitates the provision of Safety Precautions on HV Apparatus, pursuant to OC8;	Bolding edits have been made for clarity
11	11.3 definitions - “Safety Rules”	the rules of The Company , a Relevant Transmission Licensee or a User that seek to ensure that persons working on Plant and/or Apparatus to which the rules apply are safeguarded from hazards arising from the System;	
11	11.3 definitions -	<u>National Grid Electricity System Operator Limited</u> National Grid Electricity	

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	"The Company"	Transmission plc (No: 2366977)-(No: 11014226) whose registered office is at 1-3 Strand, London, WC2N 5EH <u>as the holder of the Transmission Licence;</u>	
11	11.3 definitions - "The Company Prescribed Level"	the forecast value of the regulatory asset value of NGETThe Company for a Financial Year as set out in the document published from time to time by Ofgem setting this out and currently know as "Ofgem's Transmission Price Control Review of The Company – Transmission Owner Final Proposals" such values to be published on The Company Website by reference to The Company credit arrangements no later than 31 January prior to the beginning of the Financial Year to which such value relates;	
11	11.3 definitions - "Third Party Works"	in relation to a particular User those works, defined as such in its Construction Agreement; being works undertaken on assets belonging to someone other than <u>a Relevant Transmission Licensee The Company</u> or the User where such works are required by The Company to enable it to provide the connection to and/or use of the National Electricity Transmission System by the User or required as a consequence of connection to and/or use of the National Electricity Transmission System by the User;	
11	11.3 definitions - "Transmission Licence"	the licence granted to The Company under section 6(1)(b) of the Act <u>in which the standard conditions in Section C have been given effect;</u>	
11	11.3 definitions - "Transmission Licences"	the <u>transmission</u> licences granted to The Company, <u>NGET</u> , SP Transmission Limited, and Scottish Hydro Electric Transmission Limited <u>and any Offshore Transmission Licensee</u> under the Act <u>and references to "transmission licensee" and "transmission licensees" will be construed in the CUSC accordingly;</u>	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
11	11.3 definitions - "Transmission Licensees Assets"	The Plant and Apparatus owned by <u>the Relevant</u> Transmission Licensees necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in [Appendix A] to the Bilateral Agreement relating to each such Connection Site	
11	11.3 definitions - "Transmission Owner Activity"	The Function of the <u>Relevant</u> Transmission Licensees' Transmission Business as defined in the Transmission Licences;	
12	12.1.2(o)	<u>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.</u>	
14	14.2.8	Where customer choice influences the application of standard rules to the connection boundary, affected assets will be classed as connection assets. For example, in England & Wales <u>The Company-NGET</u> does not normally own busbars below 275kV, where The Company and the customer agree that <u>The Company-NGET</u> will own the busbars at a low voltage substation, the assets at that substation will be classed as connection assets and will not automatically be transferred into infrastructure.	
14	14.3.20	To illustrate the calculation, the following example uses the average operating expenditure from the published price control and the connection assets of each transmission licensee expressed as a percentage of their total system GAV to arrive at a GB TRC of 1.45%:	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)												
		<p>Example:</p> <p>Connection assets as a percentage of total system GAV for each TO:</p> <table border="1" data-bbox="703 587 1314 807"> <tr> <td>Scottish Power Transmission Ltd</td> <td>15.1%</td> </tr> <tr> <td>Scottish Hydro Transmission Ltd</td> <td>8.6%</td> </tr> <tr> <td>National Grid <u>NGET</u></td> <td>12.5%</td> </tr> </table> <p>Published current price control average annual operating expenditure (£m):</p> <table border="1" data-bbox="703 994 1314 1214"> <tr> <td>Scottish Power Transmission Ltd</td> <td>29.1</td> </tr> <tr> <td>Scottish Hydro Transmission Ltd</td> <td>11.3</td> </tr> <tr> <td>National Grid <u>NGET</u></td> <td>295.2</td> </tr> </table> <p>Total GB Connection GAV = £2.12bn</p>	Scottish Power Transmission Ltd	15.1%	Scottish Hydro Transmission Ltd	8.6%	National Grid <u>NGET</u>	12.5%	Scottish Power Transmission Ltd	29.1	Scottish Hydro Transmission Ltd	11.3	National Grid <u>NGET</u>	295.2	
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Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		<p>GB TRC Factor = $(15.1\% \times \text{£}29.1\text{m} + 8.6\% \times \text{£}11.3\text{m} + 12.5\% \times \text{£}295.2\text{m}) / \text{£}2.12\text{bn}$</p> <p>GB TRC Factor = 1.99%</p> <p>Net GB TRC Factor = Gross GB TRC Factor – Site Specific Maintenance Factor*</p> <p>Net GB TRC Factor = $1.99\% - 0.54\% = 1.45\%$</p> <p>* Note – the Site Specific Maintenance Factor used to calculate the TRC Factor is that which applies for the first year of the price control period or in this example, is the 2007/8 Site Specific Maintenance Factor of 0.54%.</p>	
14	14.7.2	<p>Users have the option to provide (construct) connection assets if they wish. Formal arrangements for Users exercising this choice are available and further information on User choice in construction can be obtained from the Customer Services Team at:</p> <p>National Grid House</p> <p>Warwick Technology Park</p> <p>Gallows Hill</p> <p>Warwick</p>	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		CV34 6DA Telephone 01926 654634	
14	14.14.1	Transmission Network Use of System charges reflect the cost of installing, operating and maintaining the transmission system for the Transmission Owner (TO) Activity function of the Transmission Businesses of each <u>Relevant</u> Transmission Licensee. These activities are undertaken to the standards prescribed by the Transmission Licences, to provide the capability to allow the flow of bulk transfers of power between connection sites and to provide transmission system security.	
14	14.14.12	Condition C13 of <u>The Company's</u> the Transmission Licence governs the adjustment to Use of System charges for small generators. Under the condition, The Company is required to reduce TNUoS charges paid by eligible small generators by a designated sum, which will be determined by the Authority. The licence condition describes an adjustment to generator charges for eligible plant, and a consequential change to demand charges to recover any shortfall in revenue. The mechanism for recovery will ensure revenue neutrality over the lifetime of its operation although it does allow for effective under or over recovery within any year. For the avoidance of doubt, Condition C13 does not form part of the Use of System Charging Methodology.	
14	14.15.8	<u>National Grid</u> <u>The Company</u> will categorise plant based on the categorisations described in the Security Standard. Peaking plant will include oil and OCGT technologies and Other (Conv.) represents all remaining conventional plant not explicitly stated elsewhere in the table In the event that a power station is made up	

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		of more than one technology type, the type of the higher Transmission Entry Capacity (TEC) would apply.	
14	14.15.49	The table below shows the categorisation of Low Carbon and Carbon generation. This table will be updated by National Grid <u>The Company</u> in the Statement of Use of System Charges as new generation technologies are developed.	
14	14.15.65	The Weighted Average Cost of Capital (WACC) and asset life are established at the start of a price control and remain constant throughout a price control period. The WACC used in the calculation of the annuity factor is the The Company <u>NGET's</u> regulated rate of return, this assumes that it will be reasonably representative of all licensees. The asset life used in the calculation is 50 years; the appropriateness of this is reviewed when the annuity factor is recalculated at the start of a price control period. These assumptions provide a current annuity factor of 0.066.	
14	14.15.69	This process of calculating the incremental cost of capacity for a 400kV OHL, along with calculating the onshore expansion factors is carried out for the first year of the price control and is increased by inflation, RPI, (May–October average increase, as defined in The Company's the Transmission Licence) each subsequent year of the price control period. The expansion constant for 2010/11 is 10.633.	
14	14.15.72	The 132kV onshore circuit expansion factor is applied on a TO basis. This is to reflect the regional variation of plans to rebuild circuits at a lower voltage capacity to 400kV. The 132kV cable and line factor is calculated on the proportion of 132kV circuits likely to be uprated to 400kV. The 132kV expansion factor is then calculated by weighting the 132kV cable and overhead line costs with the relevant 400kV expansion factor, based on the proportion of 132kV circuitry to be uprated to 400kV. For example, in the TO areas of National Grid <u>NGET</u> and Scottish Power where	

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		there are no plans to uprate any 132kV circuits, the full cable and overhead line costs of 132kV circuit are reflected in the 132kV expansion factor calculation.	
14	14.15.73	The 275kV onshore circuit expansion factor is applied on a GB basis and includes a weighting of 83% of the relevant 400kV cable and overhead line factor. This is to reflect the averaged proportion of circuits across all three <u>Onshore</u> Transmission Licensees which are likely to be uprated from 275kV to 400kV across GB within a price control period.	
14	14.15.77	<p>The TO specific onshore circuit expansion factors calculated for 2008/9 (and rounded to 2 decimal places) are:</p> <p>Scottish Hydro Region</p> <p>400kV underground cable factor: 22.39 275kV underground cable factor: 22.39 132kV underground cable factor: 27.79</p> <p>400kV line factor: 1.00 275kV line factor: 1.14 132kV line factor: 2.24</p> <p>Scottish Power & <u>National Grid</u> <u>NGET</u> Regions</p>	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		400kV underground cable factor: 22.39 275kV underground cable factor: 22.39 132kV underground cable factor: 30.22 400kV line factor: 1.00 275kV line factor: 1.14 132kV line factor: 2.80	
14	14.15.84	the indexation rate applied to the revenue of Offshore Transmission Owner f under the terms of its Transmission Licence transmission licence in respect of charging year t; and	
14	14.15.103	The appropriate output (FPN or actual metered) figure is derived from BM Unit data available to National Grid The Company and relates to the total TEC of the Power Station.	
14	14.15.129	Each tariff component, expressed in £/kW, shall be the ratio of the Offshore Transmission Owner revenue (£) and rating associated with the transformers, switchgear or platform (kW) at each offshore substation. The Offshore Transmission Owner revenue of each tariff component shall include that associated with asset spares. In the case of the platform component, the relevant rating shall be the lower of the transformer or switchgear ratings. As with the offshore circuit expansion factors, the Offshore Transmission Owner revenue associated with each tariff component shall be averaged over the remaining years of the NETSO The Company's price control.	
14	14.15.134	The total revenue to be recovered through TNUoS charges is determined each year	

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		with reference to the Transmission Licensees' Owners' Price Control formulas less the costs expected to be recovered through Pre-Vesting connection charges. Hence in any given year t, a target revenue figure for TNUoS charges (TRRt) is set after adjusting for any under or over recovery for and including, the small generators discount is as follows:	
14	14.15.134	Forecast Revenue allowed under The Company's RPI-X Price Control Formula for year t (this term includes a number of adjustments, including for over/under recovery from the previous year). For further information, refer to Special Condition D2 of The Company's the Transmission Licence.	
14	14.15.134	The proportion of the under/over recovery included within Rt which relates to the operation of statement C13 of the The Company Transmission Licence. Should the operation of statement C13 result in an under recovery in year t – 1, the SG figure will be positive and vice versa for an over recovery.	
14	14.17.32	A manifest error shall be defined as any of the following: a) an error in the transfer of relevant data between <u>The Company and the Relevant</u> the Transmission Licensees or Distribution Network Operators; b) an error in the population of the Transport Model with relevant data; c) an error in the function of the Transport Model; or d) an error in the inputs or function of the Tariff Model.	
14	14.18.26	The main purpose of ETUoS charges is to pass through the charges that are levied by the DNO on the NETSO-The Company to the offshore generator(s). This charge	

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		reflects the charges levied by the DNO for the costs of any works on and use of the DNO network in accordance with the DNO's charging statements and will include, but is not limited to, upfront charges and capital contributions in respect of any works as well as the ongoing and annual Use of System charges for generation connected to the distribution network.	
14	14.18.30	Invoices for ETUoS charges shall be levied by the NETS <u>The Company</u> on the offshore generator as soon as reasonably practicable after invoices have been received by the NETS <u>The Company</u> for payment such that the NETS <u>The Company</u> can meet its payment obligations to the DNO. The initial payments and payment dates will be outlined in a User's Construction Agreement and/or Bilateral Agreement.	
14	14.18.31	As the ETUoS charges reflect the DNO charges to the NETS <u>The Company</u> , such charges will be subject to variation when varied by the DNO. Where the User disputes regarding the ETUoS charge please note that this will result in a dispute between the NETS <u>The Company</u> and DNO under the DCUSA.	
14	14.29	The Company revises TNUoS tariffs each year to ensure that these remain cost-reflective and take into account changes to allowable income under the price control and RPI. There are a number of provisions within The Company's the Transmission Licence and the CUSC designed to promote the predictability of annually varying charges. Specifically, The Company is required to give the Authority 150 days notice of its intention to change use of system charges together with a reasonable assessment of the proposals on those charges; and to give Users 2 months written notice of any revised charges. The Company typically provides an additional months notice of revised charges through the publication of "indicative" tariffs. Shorter notice periods are permitted by the framework but only following consent	

Section of CUSC	Heading number	Amendments to existing provisions	NGET comment on change (where applicable)
		from the Authority.	
14	14.29.3	The Company in its role as System Operator keeps the electricity system in balance (energy balancing) and maintains the quality and security of supply (system balancing). The Company is incentivised on the procurement and utilisation of services to maintain the energy and system balance and other costs associated with operating the system. Users pay for the cost of these services and any incentivised payment/receipts through the BSUoS charge.	
14	14.29.5	<p>BSUoS charges comprise the following costs:</p> <p>The Total Costs of the Balancing Mechanism</p> <p>Total Balancing Services Contract costs</p> <p>Payments/Receipts from National Grid<u>The Company's</u> incentive schemes</p> <p>Internal costs of operating the System</p> <p>Costs associated with contracting for and developing Balancing Services</p> <p>Adjustments</p> <p>Costs invoiced to The Company associated with Manifest Errors and Special Provisions.</p> <p>BETTA implementation costs</p>	
14	14.30.11	External Incentive Payment to/from NGET <u>The Company</u> (£m)	
14	14.32	External Incentive Payment to/from NGC <u>The Company</u> (£)	

