



AMENDMENT REPORT

CUSC Proposed Amendment CAP120 Connection Application Form– Alternative Connection Offers in England & Wales and Scotland

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP120

Amendment Ref	CAP120
Issue	1.0
Date of Issue	1 st June 2006
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1	26/04/2006	National Grid	Draft for internal comment
0.2	27/04/2006	National Grid	Draft for Industry comment
0.3	11/05/2006	National Grid	Draft for Amendments Panel Recommendation Vote
0.4	22/05/2006	National Grid	Draft for Amendments Panel Members comment
1.0	01/06/2006	National Grid	Formal version for submission to the Authority

b Document Location

National Grid Website:

www.nationalgrid.com/uk/Electricity/Codes/

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

II CONTENTS TABLE

1.0 SUMMARY AND RECOMMENDATIONS	3
2.0 PURPOSE AND INTRODUCTION	3
3.0 PROPOSED AMENDMENT.....	4
4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES	5
5.0 PROPOSED IMPLEMENTATION.....	5
6.0 IMPACT ON THE CUSC.....	5
7.0 IMPACT ON CUSC PARTIES	5
8.0 IMPACT ON INDUSTRY DOCUMENTS.....	5
9.0 IMPACT ON INDUSTRY COMPUTER SYSTEMS OR PROCESSES	5
10.0 VIEWS AND REPRESENTATIONS	6
11.0 AMENDMENT PANEL RECOMMENDATION.....	6
12.0 NATIONAL GRID RECOMMENDATION.....	6
ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC	8
ANNEX 2 – AMENDMENT PROPOSAL FORM	9
ANNEX 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION	11

1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP120 Connection Application Form – Alternative Connection Offers in England & Wales and Scotland was proposed by National Grid and submitted to the Amendments Panel on 31st March 2006. The Amendments Panel determined that it was appropriate for the proposal to proceed to wider industry consultation by National Grid. This consultation closed on 25th April 2006.
- 1.2 CAP120 proposes to amend the CUSC Application Form for Bilateral Connection Agreements (BCA), to include additional questions to ascertain whether an Applicant has or intends to make an alternative application for connection.
- 1.3 An alternative application is where the Applicant applies for connections in both England and Wales and Scotland but only intends to connect at the most beneficial connection for their project. Licence Special Condition M places a restriction on the disclosure of certain information regarding alternative applications within National Grid.
- 1.4 CAP120 will therefore provide a formal means for obtaining information which enables National Grid to ensure disclosure of information internally is managed in accordance with National Grid Licence Special Condition M.

National Grid Recommendation

- 1.5 National Grid believes CAP120 would better facilitate the CUSC Applicable Objective (a) and as proposer believes it should be approved because it would provide National Grid with a formal process for obtaining information relating to alternative connection applications to ensure information is managed internally in accordance with the Licence Special Condition M.
- 1.6 National Grid recommends that, should the Authority approve CAP120, implementation should be ten business days after the Authority's decision as it would be beneficial for the formal process to be put into operation promptly to ensure compliance with Special Condition M.

Amendment Panel Recommendation

- 1.7 The Amendments Panel voted unanimously that CAP120 did better facilitate Applicable CUSC Objective (a), in addition 4 Panel Members also believed CAP120 better facilitated Applicable CUSC Objective (b).

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP120 (see Annex 2) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP120.

- 2.3 CAP120 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 31st March 2006 and the Amendments Panel determined that CAP120 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 to this document.
- 2.5 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP120 proposes to amend the CUSC Application Form for Bilateral Connection Agreements, (CUSC Exhibit B) to include questions to ascertain whether an Applicant has or intends to make an alternative application for connection in England & Wales or Scotland (or vice versa). Therefore providing a formal means for obtaining information which will enable National Grid to ensure any disclosure of information internally is managed in accordance with Licence Special Condition M.
- 3.2 An alternative connection application is when an Applicant applies for connections to the GB Transmission System at different locations and at least one location is outside National Grid's Transmission area i.e. Scotland and the Applicant does not intend to connect at all the locations which they have applied for, but intends to connect at a location which is most beneficial for their project.
- 3.3 National Grid under Licence Condition C8 is required to offer terms of Connection to the GB Transmission System and co-operate and co-ordinate with the Scottish TO's in accordance with the STC when an application is within Scotland.
- 3.4 Special Condition M places a restriction on the use of certain information by National Grid within National Grid. National Grid is required to prevent information concerning alternative applications from being disclosed to employees that are responsible for or are involved in the preparation of such "competing" offers to ensure that National Grid does not share commercially sensitive information internally which could potentially be used by the National Grid TO business to obtain some form of advantage over the Scottish TO. However, this does not apply to competing offers between the Scottish TO's, as no advantage can be gained by National Grid and the normal procedures for confidentiality shall apply.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

4.1 CAP120 would better facilitate the CUSC Objective(s);

(a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence; and

4.2 By providing National Grid with the ability to determine whether or not it would be necessary to invoke the procedure required to prevent the disclosure of confidential information and to ensure compliance with Licence Special Condition M.

5.0 PROPOSED IMPLEMENTATION

5.1 National Grid proposes CAP120 should be implemented 10 business days after an Authority decision because it has no material implementation issues for CUSC Parties. Also it would be beneficial for the formal process to be put into operation promptly to ensure compliance with Special Condition M. In accordance with paragraph 8.19.3(b) of the CUSC, views were invited on this proposed implementation date.

5.2 No respondents to the CAP120 consultation expressed a view on the proposed implementation date. There is, therefore, no disparity between the view of the Industry and that of National Grid.

6.0 IMPACT ON THE CUSC

6.1 CAP120 requires amendments to Exhibit B of the CUSC. The text required to give effect to the Proposed Amendment is contained in Annex 1 of this document.

7.0 IMPACT ON CUSC PARTIES

7.1 CAP120 has no impact upon CUSC parties because it is a straightforward Amendment to provide a formal means for National Grid to identify alternative applications.

8.0 IMPACT ON INDUSTRY DOCUMENTS

8.1 CAP120 has no impact upon Core Industry Documents or Other Industry Documents because it is a straightforward Amendment to provide a formal means for National Grid to identify alternative applications.

9.0 IMPACT ON INDUSTRY COMPUTER SYSTEMS OR PROCESSES

9.1 CAP120 has no impact upon on Industry Computer Systems or Processes.

10.0 VIEWS AND REPRESENTATIONS

10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment.

Views of Panel Members

10.2 No views or representations were made by Panel Members in their capacity as Panel Members

View of Core Industry Document Owners

10.3 No views or representations were made by Core Industry Document Owners.

Responses to Consultation

10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP120-CR-01	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business	YES	SAIC agree that CAP120 will ensure that the Scottish TOs are not disadvantaged when preparing connection costs in competition with National Grid

11.0 AMENDMENT PANEL RECOMMENDATION

11.1 The CUSC Amendments Panel Recommendation Vote on CAP120 was conducted at the Panel Meeting on 19th May 2006.

11.2 The Panel voted unanimously that CAP120 DID better facilitate Applicable CUSC Objective (a). In addition, 4 Panel Members also believed CAP120 better facilitated Applicable CUSC Objective (b).

12.0 NATIONAL GRID RECOMMENDATION

12.1 National Grid believes CAP120 would provide a formal means for obtaining information regarding alternative applications from Applicants. Therefore providing National Grid with the ability to determine whether or not it would be necessary to invoke National Grid's procedure required to prevent disclosure and ensure compliance with Licence Special Condition M consequently this would better facilitate the CUSC Applicable Objective (a).

12.2 Also National Grid recommends that, should the Authority approve CAP120, implementation should be ten business days after the Authority's decision as it would be beneficial for the formal process to be put into operation promptly to ensure compliance with Special Condition M.

13.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 13.1 National Grid received no responses following the publication of the draft Amendment Report.

ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC

For CUSC exhibit B insert the following as paragraph 14 section entitled "PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THE APPLICATION FORM" and renumber the following paragraphs accordingly;

"14. Under Special Condition M of the Transmission Licence **The Company** has additional requirements in respect of information on offers where an **Applicant** has applied for connections in Scotland as well as in England and Wales and the **Applicant** doesn't intend to connect at all locations, but intends to choose which location or locations to connect at on the basis of the offers it receives. Question 6 in section A is intended to assist **The Company** in early identification of this situation arising "

For CUSC Exhibit B, insert the following wording at the end of Section A (Details of Applicant);

6 If this is an application for connection to the **GB Transmission System** in England and Wales please complete 6a. If this is an application for connection to the **GB Transmission System** in Scotland please complete 6b.

6a. Have you made any applications for connection to the **GB Transmission System** in Scotland which are being processed **prior to offer** by The Company or where an Offer has been made that Offer has not yet been accepted by you **but remains open for acceptance?**

If so, are such applications intended as alternatives to this one i.e. you intend to choose which of this or those other applications to proceed with on the basis of the offer made.

Yes
list the applications .

not sure
(**The Company** will contact you to clarify)

6b. Have you made any applications for connection to the **GB Transmission System** in England and Wales which are being processed **prior to offer** by The Company or where an Offer has been made that Offer has not yet been accepted by you **but remains open for acceptance?**

If so, are such applications intended as alternatives to this one i.e. you intend to choose which of this or those other applications to proceed with on the basis of the offer made.

Yes
list the applications .

not sure
(**The Company** will contact you to clarify)

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:120
<i>Title of Amendment Proposal:</i> Connection Application Form– Alternative Connection Offers in England & Wales and Scotland	
<i>Description of the Proposed Amendment (mandatory by proposer):</i> It is proposed to amend the CUSC Application Form for Bilateral Connection Agreements, (CUSC Exhibit B) to include additional questions to ascertain whether an Applicant has or intends to make an alternative application for connection in England & Wales or Scotland (or vice versa) to enable National Grid to ensure disclosure of information within National Grid is managed in accordance with National Grid Licence Special Condition M. An alternative connection application is when an Applicant applies for multiple connections to the GB transmission system at different locations and at least one location is outside National Grid's Transmission area i.e. Scotland and where the Applicant does not intend to connect at all the locations which they have applied for, but intends to connect at a location which is most beneficial for their project. Please note this does not apply to competing offers between the Scottish TO's, as no advantage can be gained by National Grid and the normal procedures for confidentiality shall apply. The proposer requests and recommends that this Amendment Proposal proceeds straight to Industry Consultation for a period of 2 weeks as we believe that it would be beneficial to make this change in a timely way.	
<i>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</i> National Grid under Licence Condition C8 is required to offer terms of Connection to the GB transmission system and co-operate and co-ordinate with the Scottish TO's in accordance with the STC when an application is within Scotland. Special Condition M places a restriction on the use of certain information by National Grid within National Grid. National Grid is required to prevent information concerning alternative applications from being disclosed to employees that are responsible for or are involved in the preparation of such "competing" offers to ensure that National Grid does not share commercially sensitive information internally which could potentially be used by National Grid TO business to obtain some form of advantage over the Scottish TO. However, at present there is no formal means for National Grid to identify within a Bilateral Connection Agreement (BCA) Application Form where an Applicant is making alternative application between England & Wales and Scotland. <i>It is therefore proposed that the CUSC Application Form for a BCA within Exhibit B is amended to request information about alternative applications from the Applicant.</i>	
Impact on the CUSC <i>(this should be given where possible):</i> CUSC Exhibit B The proposed Legal text to modify the CUSC is detailed in Annex 1 by inserting the coloured underlined text.	
Impact on Core Industry Documentation <i>(this should be given where possible):</i> None identified	
Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i> Limited impact; if the amendment is approved, Applicants applying for Connection within England & Wales or Scotland will be required to provide additional information in relation to alternative applications.	
Details of any Related Modifications to Other Industry Codes <i>(where known):</i> N/A	

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives (mandatory by proposer):**

National Grid believes that amending the CUSC Application Form to ensure that National Grid can ascertain whether an application is an alternative applications would better achieve applicable CUSC objective(a) – (**The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence**) by providing National Grid with the ability to determine whether or not it would be necessary to invoke the procedure required to prevent the disclosure of confidential information and to ensure compliance with Licence Special Condition M.

Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 Emma.j.carr@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Paul Mullen National Grid 01926 656329 Paul.mullen@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment: Yes – Annex 1	

Notes:

- Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
- The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which 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, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Beverley Viney
Panel Secretary
Commercial Frameworks
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: beverley.viney@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

- Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

ANNEX 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 3rd April 2006, requesting comments by close of business on 25th April 2006).

Representations were received from the following parties:

No.	Company	File Number
1	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business	CAP120CR-01

Reference	CAP120CR-01
Company	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business



Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Ref CAP120
Date 25th April 2006

Tel No. 01355 845208
Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Amendment Proposal CAP120, Connection Application Form– Alternative Connection Offers in England & Wales and Scotland

Thank you for the opportunity to comment on the Consultation for CUSC Amendment Proposal CAP120 regarding the Application form for Alternate Connection Offers in England and Wales. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

In reviewing this Proposal, we have noted that this change would help ensure that the "Chinese walls" between SO and TO roles at National Grid are enforced and ensure that the Scottish TOs are not disadvantaged when preparing connection costs in competition with National Grid. As such, we support this change.

Yours sincerely

Gary Henderson

SAIC Ltd.
For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.