



CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP128 Removal of Section 10 – Transitional Issues

*The purpose of this document is to
consult on Amendment Proposal CAP128
with CUSC Parties and other interested
Industry members*

Amendment Ref	CAP128
Issue	1.0
Date of Issue	6 th October 2006
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	4/10/06	National Grid	Initial Draft for internal comment
1.0	6/10/06	National Grid	Formal version for release

b Document Location

National Grid website:

www.nationalgrid.com/uk/electricity/codes/

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

II CONTENT TABLE

1.0	SUMMARY AND VIEWS	3
2.0	PURPOSE AND INTRODUCTION	3
3.0	PROPOSED AMENDMENT	4
4.0	ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES	4
5.0	PROPOSED IMPLEMENTATION.....	4
6.0	IMPACT ON THE CUSC.....	4
7.0	IMPACT ON INDUSTRY DOCUMENTS.....	4
8.0	INITIAL VIEW OF THE AMENDMENTS PANEL	4
9.0	INITIAL VIEW OF NATIONAL GRID	5
10.0	VIEWS INVITED	5
	ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC	6
	ANNEX 2 – AMENDMENT PROPOSAL FORM	10

1.0 SUMMARY AND VIEWS

Executive Summary

- 1.1 CAP128 Removal of Section 10 – Transitional issues was proposed by National Grid and submitted to the Amendments Panel on 29th September 2006. CAP128 proposes to amend CUSC by removing Section 10.
- 1.2 Currently Section 10 relates to issues arising out of the transition from MCUSA, this is no longer required as MCUSA was replaced in 2001 by the CUSC. Consequently this will prevent any potential confusion caused by having a section which is no longer relevant.

National Grid's View

- 1.3 National Grid, as the proposer of CAP128 is supportive of the Amendment Proposal, believing that it would better facilitate achievement of the Applicable CUSC Objective (a).

Amendment Panels View

- 1.4 The Amendments Panel agreed that CAP128 should proceed to wider consultation by National Grid, for a period of 4 weeks.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This is a consultation document 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 CAP128, this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 CAP128 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29th September 2006. The Amendments Panel determined that CAP128 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This consultation document outlines the nature of the CUSC changes that are proposed. Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.5 This consultation document 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/ and the Amendment Proposal form. This document invites views upon CAP128 and the **closing date is 5pm on the 3rd November 2006 for responses** including any Consultation Alternatives.
- 2.6 CUSC Parties are reminded that any Consultation Alternatives must be submitted by the above closing date and must be in writing and contain sufficient detail in accordance with the requirements within CUSC 8.15.2

3.0 PROPOSED AMENDMENT

- 3.1 CAP128 proposed to remove Section – Transitional Issues from the CUSC and replace with “Not Used”. Also delete references to Section 10 in 1.2.3 and 7.1.1. For information in the Introduction, which is not a formal part of the CUSC will be amended (remove 9 and change numbering of 10 to 9).
- 3.2 Section 10 relates to issues arising out of the transition from MCUSA, to the CUSC in 2001 and is no longer required. Consequently this section has the potential to cause confusion for new and existing CUSC parties.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 In the opinion of National Grid CAP 128 would better facilitate the CUSC Objective;
- (a) *the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence; and*
- 4.2 This Amendment will remove any potential confusion which could arise due to irrelevant provisions existing with the current CUSC baseline

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid propose CAP128 should be implemented 10 business days after an Authority decision because it has no material impact or effect on CUSC Parties. In accordance with 8.19.3(b) views are invited on this proposed implementation date.

6.0 IMPACT ON THE CUSC

- 6.1 CAP128 requires amendments to Section 10, and also to delete references to Section 10 within: Introduction (remove 9 and change numbering of 10 to 9). 1.2.3 delete section 10 reference and 7.1.1 delete section 10 reference of the CUSC. The text required to give effect to this Proposal is contained in Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

- 7.1 CAP128 has no impact upon Core Industry Documents.

8.0 INITIAL VIEW OF THE AMENDMENTS PANEL

- 8.1 The Amendments Panel agreed that CAP128 should proceed to wider consultation by National Grid, for a period of 4 weeks.

9.0 INITIAL VIEW OF NATIONAL GRID

- 9.1 National Grid believes CAP128 would remove any potential for confusion therefore, it which better achieves CUSC Applicable Objective (a) by ensuring the CUSC baseline is clear and fit for purpose.

10.0 VIEWS INVITED

- 10.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP128 and issues arising from the proposed timescale for implementation.
- 10.2 Please send your responses to this consultation to National Grid by no later than 5pm on **3rd November 2006**
- 10.3 Please address all comments to the following e-mail address:

Beverley.Viney@uk.ngrid.com

Or alternatively, comments may be addressed to:

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

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed Legal text to modify the CUSC is detailed below deleting the coloured struck through text

Introduction – for information only (as this is not a formal part of the CUSC)

CUSC Introduction

- 9 ~~–Section 10 deals with certain transitional issues and where its provisions provide for a different approach in relation to a particular Paragraph, they take priority over that Paragraph in accordance with the terms of Section 10.~~

Following paragraph changed from number 10 to number 9

~~10-9~~ For ease of reference, a list of the Core Industry Documents as at the CUSC Implementation Date is as follows:

- (a) Grid Code
- (b) MCUSA
- (c) Supplemental Agreements
- (d) Ancillary Services Agreements
- (e) Master Registration Agreement
- (f) Data Transfer Services Agreement
- (g) British Grid Systems Agreement
- (h) Use of Interconnector Agreement
- (i) Pooling and Settlement Agreement
- (j) Settlement Agreement for Scotland
- (k) Distribution Codes
- (l) Distribution Use of System Agreements
- (m) Distribution Connection Agreements
- (n) Relevant Replacement Documents

CUSC Section 1

The proposed Legal text to modify the CUSC is detailed below deleting the coloured struck through text

- 1.2.3 Section 1, Sections 5 to 8 and ~~Sections 10 and~~ 11 of the **CUSC** apply to all categories of connection and/or use, and therefore should be complied with by all **Users**, subject as specifically provided in those Sections. Section 4 of the **CUSC** applies to **Users** who provide **Balancing Services** to **The Company**, and contains its own provisions on applicability to such **Users**.

CUSC Section 7

The proposed Legal text to modify the CUSC is detailed below deleting the coloured struck through text

- ~~7.1.4~~ This section of the CUSC sets out how disputes under the CUSC, Bilateral Agreements, Mandatory Services Agreements and Construction Agreements are to be dealt with. ~~Section 10 deals with the treatment of disputes which arise in relation to periods prior to the amendment of the MCUSA, Supplemental Agreements and certain Ancillary Services Agreements (to the extent relating to the Mandatory Ancillary Services.~~

CUSC Section 10

The proposed Legal text to modify the CUSC is detailed below deleting the coloured struck through text and inserting the coloured underlined text.

CUSC - SECTION 10

Not Used

TRANSITIONAL ISSUES

CONTENTS

~~10.1 Introduction~~

~~10.2 MCUSA/CUSC Disputes~~

~~10.3 Outstanding Offers/Construction~~

~~10.4 Supplemental Agreement Existing Variations~~

~~10.5 Outturning~~

~~10.6 Pre-CUSC Voting of Amendments Panel~~

CUSC - SECTION 10

TRANSITIONAL ISSUES

10.1 INTRODUCTION

~~This Section 10 deals with issues arising out of the transition from the **MCUSA**, and associated documents to the **CUSC**. Each paragraph deals with an issue that arises, although certain paragraphs would affect other paragraphs within this Section 10 as provided therein.~~

10.2 MCUSA/CUSC DISPUTES

~~10.2.1 This Section sets out the process for dealing with disputes which relate to a period prior to the introduction of the **CUSC** and those disputes which relate to the period after the introduction of the **CUSC**. A dispute which covers a period prior to the introduction of the **CUSC** is known as a "**MCUSA Dispute**", and a dispute which covers a period after the introduction of the **CUSC** is known as a "**CUSC Dispute**".~~

10.2.2 MCUSA Dispute

~~A **MCUSA Dispute** will be dealt with in accordance with the provisions of the **MCUSA** dispute resolution provisions which comprise the process under Clause 14.7 of the **MCUSA** and the provisions of Clause 26 of the **MCUSA** (and the equivalent provisions in the relevant **Supplemental Agreements**).~~

10.2.3 CUSC Disputes

~~A CUSC Dispute will be dealt with in accordance with the provisions of Section 7 of the CUSC.~~

- ~~10.2.4 Where a dispute involves issues relating to both the pre-CUSC period and the period after the CUSC Implementation Date, then the issues relating to the pre-CUSC period will be determined as a "MCUSA Dispute" and the issues relating to the period after the CUSC Implementation Date shall be determined as a "CUSC Dispute".~~
- ~~10.2.5 Generally, the introduction of the CUSC by amending the MCUSA into the CUSC Framework Agreement, the various Bilateral Agreements, the Mandatory Services Agreements and related documents does not affect or prejudice the rights and obligations of parties in relation to the MCUSA prior to the creation of the CUSC.~~

~~10.3 OUTSTANDING OFFERS/CONSTRUCTION~~

~~10.3.1 Construction Completed~~

~~Where construction is completed there will not be a separate Construction Agreement, but the existing Supplemental Agreement (and any Agreement for Construction Works) in relation to construction elements (including the Operational Notification, as that term is defined in the relevant Supplemental Agreement) (and with any necessary changes to reflect that it solely reflects construction related issues) will be regarded as a continuing "deemed" Construction Agreement (and the definition of Construction Agreement shall be construed to include such deemed agreements), with the User also having a new Bilateral Agreement.~~

~~10.4 SUPPLEMENTAL AGREEMENT - EXISTING VARIATIONS~~

- ~~10.4.1 In relation to certain existing Supplemental Agreements, variations to the standard Supplemental Agreement Type provisions have been agreed in accordance with the provisions of the MCUSA (which are different to those changes made pursuant to the NETA Implementation Scheme Part C). Accordingly, given that the exercise of creating the CUSC has been to codify the existing provisions, those variations have been reflected in relation to the relevant User by the inclusion of an additional clause in the relevant Bilateral Agreement (or where there is no Bilateral Agreement, in an exchange of letters between The Company and the relevant User). Insofar as those variations are set out, then the specified provisions of the CUSC will be overridden by those variations.~~
- ~~10.4.2 Insofar as there is a future change to the CUSC in accordance with the Transmission Licence and the provisions of Section 8 which specifically addresses the issue so dealt with, and specifically provides that those provisions themselves would be overridden by the amendment to the CUSC, then the relevant provisions in the Bilateral Agreement (or letter) would be so varied by that CUSC amendment.~~
- ~~10.4.3 For the avoidance of doubt, the variations specified in this section will only apply to the position under an existing Supplemental Agreement as at the CUSC Implementation Date, if after that date an issue arises for a new connection and/or use which is dealing with the same type of issue, it will not lead to a similar approach being adopted in that relevant Bilateral Agreement (or in relation to use of system without a Bilateral Agreement). Namely the provisions of this Paragraph 10.4 are intended only to deal with the issues arising on implementation of the CUSC and do not provide an ongoing mechanism.~~

~~10.5 OUTTURNING~~

~~Under the provisions of the existing Supplemental Agreements and Agreements for Construction Works to effect a Modification at a Connection Site The Company is entitled to charge Connection Charges based on an estimate of the cost of the Transmission Connection Asset~~

~~Works. The Company then has an obligation to carry out an outturn reconciliation process to determine the final cost of carrying out these works. Notwithstanding the provision in Paragraph 2.14.3(c) of the CUSC requiring the Cost Statement to be provided within one year of the Completion Date The Company and each relevant User acknowledge that this has proven impractical on a number of completed schemes and agree that the words “and in any event within one year thereof” shall not apply in respect of all schemes completed prior to 31 March 2000.~~

~~10.6 PRE-CUSC VOTING OF AMENDMENTS PANEL~~

~~10.6.1 The process undertaken immediately prior to the introduction of CUSC to put in place the Panel Members and Alternate Members elected by Users of the first Amendments Panel, although undertaken before the relevant provisions were in force, is agreed by CUSC Parties to constitute the appointment of the first set of Panel Members and Alternate Members elected by Users under the CUSC.~~

~~10.6.2 The terms of office of such Panel Members and Alternate Members elected by Users will be deemed to have begun on the CUSC Implementation Date.~~

END OF SECTION 10

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:128
Title of Amendment Proposal: Removal of Section 10 – Transitional Issues	
Description of the Proposed Amendment (<i>mandatory by proposer</i>): It is proposed to remove Section 10 (Transitional Issues) of the CUSC. This relates to issues arising out of the transition from the MCUSA., this is no longer required as MCUSA was replaced in 2001.	
Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>): Remove Section 10 (Transitional Issues) of the CUSC. This relates to issues arising out of the transition from the MCUSA., this is no longer required as MCUSA was replaced in 2001 by the CUSC. Consequently, this is section is no longer required.	
Impact on the CUSC (<i>this should be given where possible</i>): The CUSC will require the deletion of Section 10 and replacing with “Not Used”, and the following amendments to CUSC Introduction, Sections 1, Section 7 CUSC Introduction 9 Section 10 deals with certain transitional issues and where its provisions provide for a different approach in relation to a particular Paragraph, they take priority over that Paragraph in accordance with the terms of Section 10. Following paragraph changed from number 10 to number 9 10.9 For ease of reference, a list of the Core Industry Documents as at the CUSC Implementation Date is as follows: <ul style="list-style-type: none"> (a) Grid Code (b) MCUSA (c) Supplemental Agreements (d) Ancillary Services Agreements (e) Master Registration Agreement (f) Data Transfer Services Agreement (g) British Grid Systems Agreement (h) Use of Interconnector Agreement (i) Pooling and Settlement Agreement (j) Settlement Agreement for Scotland (k) Distribution Codes (l) Distribution Use of System Agreements (m) Distribution Connection Agreements (n) Relevant Replacement Documents Section 1 1.2.3 Section 1, Sections 5 to 8 and Sections 10 and 11 of the CUSC apply to all categories of connection and/or use, and therefore should be complied with by all Users , subject as specifically provided in those Sections. Section 4 of the CUSC applies to Users who	

provide **Balancing Services** to **The Company**, and contains its own provisions on applicability to such **Users**.

Section 7

7.1.2 **This section of the CUSC sets out how disputes under the CUSC, Bilateral Agreements, Mandatory Services Agreements and Construction Agreements are to be dealt with. Section 10 deals with the treatment of disputes which arise in relation to periods prior to the amendment of the MCUSA, Supplemental Agreements and certain Ancillary Services Agreements (to the extent relating to the Mandatory Ancillary Services.**

CUSC - SECTION 10 **Replace with "Not Used"**

TRANSITIONAL ISSUES

CONTENTS

~~10.1 — Introduction~~

~~10.2 — MCUSA/CUSC Disputes~~

~~10.3 — Outstanding Offers/Construction~~

~~10.4 — Supplemental Agreement — Existing Variations~~

~~10.7 — Outturning~~

~~10.8 — Pre-CUSC Voting of Amendments Panel~~

CUSC — SECTION 10

TRANSITIONAL ISSUES

~~10.1 — INTRODUCTION~~

~~This Section 10 deals with issues arising out of the transition from the **MCUSA**, and associated documents to the **CUSC**. Each paragraph deals with an issue that arises, although certain paragraphs would affect other paragraphs within this Section 10 as provided therein.~~

~~10.2 — MCUSA/CUSC DISPUTES~~

~~10.2.1 — This Section sets out the process for dealing with disputes which relate to a period prior to the introduction of the **CUSC** and those disputes which relate to the period after the introduction of the **CUSC**. A dispute which covers a period prior to the introduction of the **CUSC** is known as a "**MCUSA Dispute**", and a dispute which covers a period after the introduction of the **CUSC** is known as a "**CUSC Dispute**".~~

~~10.2.2 — **MCUSA Dispute**~~

~~A **MCUSA Dispute** will be dealt with in accordance with the provisions of the **MCUSA** dispute resolution provisions which comprise the process under Clause 14.7 of the **MCUSA** and the provisions of Clause 26 of the **MCUSA** (and the equivalent provisions in the relevant **Supplemental Agreements**).~~

~~10.2.3 **CUSC Disputes**~~

~~A **CUSC Dispute** will be dealt with in accordance with the provisions of Section 7 of the **CUSC**.~~

~~10.2.4 **Where a dispute involves issues relating to both the pre CUSC period and the period after the CUSC Implementation Date, then the issues relating to the pre CUSC period will be determined as a "MCUSA Dispute" and the issues relating to the period after the CUSC Implementation Date shall be determined as a "CUSC Dispute"**.~~

~~10.2.5 **Generally, the introduction of the CUSC by amending the MCUSA into the CUSC Framework Agreement, the various Bilateral Agreements, the Mandatory Services Agreements and related documents does not affect or prejudice the rights and obligations of parties in relation to the MCUSA prior to the creation of the CUSC.**~~

~~10.3 **OUTSTANDING OFFERS/CONSTRUCTION**~~

~~10.3.1 **Construction Completed**~~

~~Where construction is completed there will not be a separate Construction Agreement, but the existing Supplemental Agreement (and any Agreement for Construction Works) in relation to construction elements (including the Operational Notification, as that term is defined in the relevant Supplemental Agreement) (and with any necessary changes to reflect that it solely reflects construction related issues) will be regarded as a continuing "deemed" Construction Agreement (and the definition of Construction Agreement shall be construed to include such deemed agreements), with the User also having a new Bilateral Agreement.~~

~~10.4 **SUPPLEMENTAL AGREEMENT - EXISTING VARIATIONS**~~

~~10.4.1 **In relation to certain existing Supplemental Agreements, variations to the standard Supplemental Agreement Type provisions have been agreed in accordance with the provisions of the MCUSA (which are different to those changes made pursuant to the NETA Implementation Scheme Part C). Accordingly, given that the exercise of creating the CUSC has been to codify the existing provisions, those variations have been reflected in relation to the relevant User by the inclusion of an additional clause in the relevant Bilateral Agreement (or where there is no Bilateral Agreement, in an exchange of letters between The Company and the relevant User). Insofar as those variations are set out, then the specified provisions of the CUSC will be overridden by those variations.**~~

~~10.4.2 **Insofar as there is a future change to the CUSC in accordance with the Transmission Licence and the provisions of Section 8 which specifically addresses the issue so dealt with, and specifically provides that those provisions themselves would be overridden by the amendment to the CUSC, then the relevant provisions in the Bilateral Agreement (or letter) would be so varied by that CUSC amendment.**~~

~~10.4.3 **For the avoidance of doubt, the variations specified in this section will only apply to the position under an existing Supplemental Agreement as at the CUSC Implementation Date, if after that date an issue arises for a new connection and/or use which is dealing with the same type of issue, it will not lead to a similar approach being adopted in that relevant Bilateral Agreement (or in relation to use of system without a Bilateral Agreement).**~~

~~Namely the provisions of this Paragraph 10.4 are intended only to deal with the issues arising on implementation of the CUSC and do not provide an ongoing mechanism.~~

~~10.5 — OUTTURNING~~

~~Under the provisions of the existing Supplemental Agreements and Agreements for Construction Works to effect a Modification at a Connection Site The Company is entitled to charge Connection Charges based on an estimate of the cost of the Transmission Connection Asset Works. The Company then has an obligation to carry out an outturn reconciliation process to determine the final cost of carrying out these works. Notwithstanding the provision in Paragraph 2.14.3(c) of the CUSC requiring the Cost Statement to be provided within one year of the Completion Date The Company and each relevant User acknowledge that this has proven impractical on a number of completed schemes and agree that the words “and in any event within one year thereof” shall not apply in respect of all schemes completed prior to 31 March 2000.~~

~~10.6 — PRE-CUSC VOTING OF AMENDMENTS PANEL~~

~~10.6.1 — The process undertaken immediately prior to the introduction of CUSC to put in place the Panel Members and Alternate Members elected by Users of the first Amendments Panel, although undertaken before the relevant provisions were in force, is agreed by CUSC Parties to constitute the appointment of the first set of Panel Members and Alternate Members elected by Users under the CUSC.~~

~~10.6.2 — The terms of office of such Panel Members and Alternate Members elected by Users will be deemed to have begun on the CUSC Implementation Date.~~

END OF SECTION 10

Impact on Core Industry Documentation *(this should be given where possible):*
None anticipated

Impact on Computer Systems and Processes used by CUSC Parties *(this should be given where possible):*
None anticipated

Details of any Related Modifications to Other Industry Codes *(where known):*

N/A

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

National Grid believes that this proposal will better facilitate CUSC Applicable Objective (a) *(The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence)*. **The removal of the redundant clauses within the CUSC will prevent confusion for new and existing CUSC members.**

Notes:

1. *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.*
2. *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).

3. **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.