



**CONSULTATION ALTERNATIVE  
CONSULTATION DOCUMENT  
CUSC Amendment Proposal CAP128  
Removal of Section 10 – Transitional Issues**

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

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Prepared by	National Grid

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

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0.1	7/11/2006	National Grid	Initial Draft for internal comment
1.0	8/11/2006	National Grid	Formal version for release

**b Document Location**

National Grid website:

[www.nationalgrid.com/uk/Electricity/Codes/](http://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	-

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## **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 29<sup>th</sup> September 2006. CAP128 proposes to amend the CUSC by removing Section 10.
- 1.2 Section 10 relates to issues arising out of the transition from the MCUSA and is no longer required, as the MCUSA was replaced in 2001 by the CUSC. Consequently National Grid believes that the redundant CUSC provisions should be removed to prevent any potential confusion.
- 1.3 Consultation Alternative Amendment (CAA) was proposed by Centrica, and provides additional detail to the proposed legal text of the original Amendment, in terms of when the section was removed and that it was dedicated to Transitional Issues.

### **National Grids View**

- 1.4 National Grid as the proposer of CAP128 supports the original, believing that it would better facilitate the achievement of Applicable CUSC Objective (a).
- 1.5 National Grid believes the additional wording proposed by the CAA could prevent Section 10 from being reused in the future, if a new section was required. Therefore, the CAA does not better facilitate the achievement of Applicable CUSC Objective (a).

## **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 and the subsequent consultation, this document seeks views from industry members relating to the CAA for CAP128, proposed by Centrica.
- 2.3 CAP128 was proposed by National Grid and submitted to the CUSC Amendment Panel for consideration at their meeting on 29<sup>th</sup> September 2006. The Amendments Panel determined that the issue should proceed to wider industry consultation by National Grid. The consultation concluded on 3rd November 2006.
- 2.4 Under the terms of the CUSC there is a requirement for a further period of Consultation to be undertaken in order to allow the Industry to consider the proposed CAA. All the correspondence received in response to the original consultation are contained in Annex 2.
- 2.5 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.
- 2.6 This CAA 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/](http://www.nationalgrid.com/uk/Electricity/Codes/) along with the Original Consultation Report, and the Amendment Proposal form. This document invites views upon the CAA and the **closing date is 5 pm on the 15<sup>th</sup> November 2006 for responses.**

### **3.0 THE CONSULTATION ALTERNATIVE AMENDMENT**

3.1 Centrica propose that an additional sentence is added to the original CAP128 proposed legal text (“Not Used”) stating that the section was removed on a particular date, and that it was dedicated to Transitional Issues.

### **4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES**

4.1 In the view of the proposer CAP128 CAA 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.*

### **5.0 PROPOSED IMPLEMENTATION**

5.1 The proposer of CAP128 CAA does not disagree with National Grid and CAP128 CAA should be implemented 10 Business Days after an Authority decision

### **6.0 IMPACT ON CUSC**

6.1 CAP128 CAA requires amendments to Section10, 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.

6.2 The text required to give effect to the CAA is contained in Annex 1 of this document.

### **7.0 IMPACT ON INDUSTRY DOCUMENTS**

#### **Impact on Core Industry Documents**

7.1 CAP128 CAA has no impact upon Core Industry Documents

#### **Impact on other Industry Documents**

7.2 CAP128 CAA has no impact upon other Industry Documents

### **8.0 INITIAL VIEW OF NATIONAL GRID**

8.1 National Grid does not believe that the CAA would better facilitate the Applicable CUSC Objectives as the additional wording could restrict the possibility of reusing Section 10 in the future, should a new section be required.

8.2 In addition the National Grid Web Site shows all CUSC amendments present and past and therefore if required a CUSC Party would be able to ascertain that Section 10 had previously been used for Transitional Issues.

## 9.0 VIEWS INVITED

- 9.1 National Grid is seeking the views of interested parties in relation to the issues raised by CAP128 CAA.
- 9.2 Please send your responses to this consultation to National Grid by no later than **5pm on 15<sup>th</sup> November 2006**.

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 TEXT TO MODIFY CUSC

### Text to give effect to the Proposed Consultation Alternative Amendment

#### 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, removed on (date to be inserted once determined by the Authority ), dedicated to Transitional Issues**

**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 – COPIES OF REPRESENTATIONS RECEIVED TO THE CONSULTATION DOCUMENT

This Annex includes copies of all representations received following circulation of the Consultation Document of CAP128 (circulated on 6<sup>th</sup> October 2006, requesting comments by close of business on 3<sup>rd</sup> November 2006).

Representations were received from the following parties:

No.	Company	File No.
1	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.	CAP128-CA-01
2	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	CAP128-CA-02
3	Centrica	CAP128-CA-03

<b>Reference</b>	CAP128-CA-01
<b>Company</b>	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.



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

**Ref** CAP128  
**Date** 02<sup>nd</sup> November 2006

**Tel No.** 01355 845208  
**Email:** [ukelectricityspoc@saic.com](mailto:ukelectricityspoc@saic.com)

Dear Beverley,

**CUSC Amendment Proposal CAP128, Removal of Section 10 Transitional Issues**

Thank you for the opportunity to comment on the Consultation for CUSC Amendment Proposal CAP128 regarding the proposed removal of redundant clauses from within the CUSC. 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 will aid clarity and understanding of the CUSC through the removal of redundant clauses, thus helping to better achieve the applicable CUSC objectives. 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.

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<b>Reference</b>	CAP128-CR-02
<b>Company</b>	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.

Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., and SSE Energy Supply Ltd.

In relation to the consultation concerning the report associated with CUSC Amendment Proposal CAP 128 "Removal of Section 10 [of the CUSC] Transitional Issues" (contained within your note of 6th October 2006) we believe that this CUSC Amendment Proposal CAP128 does better achieve the applicable CUSC objectives and should therefore be implemented.

Regards

Garth Graham  
Scottish and Southern Energy plc

<b>Reference</b>	CAP128-CR-03
<b>Company</b>	Centrica



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

Centrica Energy  
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Maidenhead Road,  
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Berkshire SL4 5GD

Tel. (01753) 431000  
Fax (01753) 431150  
[www.centrica.com](http://www.centrica.com)

Our Ref.  
Your Ref.  
03 November 2006

Dear Beverley,

#### **CUSC Amendment Proposal P128 – Consultation Response**

Centrica welcomes this opportunity to comment on this Amendment Proposal.

We accept that the transitional issues dealt with in Section 10 are no longer required on an operational basis, and for the sake of clarity we agree that they should be removed. We would assume that NGET keeps a suitably retrievable archive of CUSC versions, and so would be able to retrieve content from Section 10 should it ever be required.

There may, however, be some value in adding a sentence to the proposed "Not Used" addition which states that the section was removed on a particular date, and that it was dedicated to Transitional Issues. If it is appropriate to do so, please treat this suggestion as a Consultation Alternative Amendment.

If you have any queries in relation to this response, please do not hesitate to contact me.

Best regards,

Dave Wilkerson  
Centrica Energy

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M: 07789 572724  
E: [dave.wilkerson@centrica.co.uk](mailto:dave.wilkerson@centrica.co.uk)

#### **A *centrica* business**

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