



AMENDMENT REPORT

CUSC Proposed Amendment CAP128

Removal of Section 10 – Transitional Issues

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP128

Amendment Ref	CAP128
Issue	1.0
Date of Issue	28/12/06
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	28/11/2006	National Grid	Draft for Industry comment
0.2	07/12/2006	National Grid	Draft for Amendments Panel Recommendation Vote
0.3	15/12/2006	National Grid	Draft for Amendments Panel Members comment
1.0	28/12/2006	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	

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1.0 SUMMARY AND RECOMMENDATIONS

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 Recommendation

- 1.3 National Grid, as the proposer of CAP128 is supportive of the Original Amendment Proposal, believing that it would better facilitate achievement of the Applicable CUSC Objective (a), and would allow this section to be used at a later date. It should be noted that details of CUSC amendments are available on the National Grid website.

Amendment Panel Recommendation

- 1.4 The CUSC Amendments Panel Recommendation Vote on CAP128 was conducted at the Panel Meeting on 15th December 2006. On the question of whether CAP128 would BETTER facilitate achievement of the Applicable CUSC Objectives, the Panel vote was as follows:

Original Amendment Proposal	- YES - unanimous
Consultation Alternative Amendment	- YES - majority

- 1.5 The Panel unanimously recommends that CAP128 Original Amendment would BEST facilitate achievement of Applicable CUSC Objective (a) on the grounds of efficiency and is consistent with previous practice.

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 CAP128 (see Annex 1) 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 CAP128.
- 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 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 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 Consultation Alternative

- 4.1 Centrica proposed 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.

5.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 5.1 CAP128 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

- 5.2 This Amendment will remove any potential confusion which could arise due to redundant provisions existing with the current CUSC baseline.

Consultation Alternative Amendment

- 5.3 CAP128 Consultation Alternative 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

6.0 PROPOSED IMPLEMENTATION

- 6.1 National Grid proposes CAP128 should be implemented 10 days after an Authority decision, this was not disagreed with in the Consultation Alternative Proposal. In accordance with paragraph 8.19.3(b) of the CUSC, views were invited on this proposed implementation date.

- 6.2 No respondents to the CAP128 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.

7.0 IMPACT ON THE CUSC

- 7.1 CAP128 requires amendments to Section 10 of the CUSC 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.
- 7.2 The text required to give effect to the Original Proposal is contained as Part A of Annex 1 of this document.
- 7.3 The text to give effect to the Consultation Alternative Amendment is attached as Part B of Annex 1 of this document.

8.0 IMPACT ON CUSC PARTIES

- 8.1 CAP128 original Amendment and Consultation Alternative Amendment have no impact upon CUSC parties as they are straightforward amendments to remove a redundant section of the CUSC.

9.0 IMPACT ON INDUSTRY DOCUMENTS, COMPUTER SYSTEMS OR PROCESSES

- 9.1 CAP128 original Amendment and Consultation Alternative Amendment have no impact upon Core Industry Documents or Industry Computer Systems/Processes as they are straightforward amendments to remove a redundant section of the CUSC.

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 and the Alternative Amendment.

Views of Panel Members

- 10.2 No views or representations were made by Panel Members in their capacity as Panel Members during the Consultation.

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
CAP128-CR-01	Scottish Power	Yes	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.
CAP128-CR-02	Scottish and Southern Energy	Yes	Believe that this CUSC Amendment Proposal CAP128 does better achieve the applicable CUSC objectives and should therefore be implemented
CAP-128-CR-03	Centrica	No	Proposed Consultation Alternative

Responses to the Consultation Alternative Amendment Consultation

- 10.5 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 4.

Reference	Company	Supportive of CAA	Comments
CAP128-CAAR-01	Scottish and Southern Energy	No	Believe that the original CUSC Amendment Proposal CAP128 does better achieve the applicable CUSC objectives and should therefore be implemented.
CAP128-CAAR-02	Scottish Power	Yes	Believe that the CAA adds greater clarity than the original CUSC Amendment Proposal CAP128 and therefore better achieve the applicable CUSC objectives

11.0 AMENDMENT PANEL RECOMMENDATION

- 11.1 The CUSC Amendments Panel Recommendation Vote on CAP128 was conducted at the Panel Meeting on 15th December 2006. On the question of whether CAP128 would BETTER facilitate achievement of the Applicable CUSC Objectives, the Panel vote was as follows:

Original Amendment Proposal - YES - unanimous
 Consultation Alternative Amendment - YES - majority

- 11.2 The Panel unanimously recommends that CAP128 Original Amendment would BEST facilitate achievement of Applicable CUSC Objective (a) on the grounds of efficiency and is consistent with previous practice.

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid believes CAP128 Original amendment would be the best option as this removes a Section no longer used, and would allow its reuse in the future. It should be noted that the National Grid website lists all historical CUSC amendments.

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

Part A - Text to give effect to the Original Proposed Amendment

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

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

~~7.1.4~~ **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
“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~~

Part B - 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

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

- 7.1.2 **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

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 IssuesTRANSITIONAL ISSUESCONTENTS

- 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 10TRANSITIONAL 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, these 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 (mandatory by proposer): 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 (mandatory by proposer): 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 (this should be given where possible): 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**

7.1.3 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~~
- ~~10.9 — Outturning~~
- ~~10.10 — 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**~~

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~~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.	
Details of Proposer: Organisation's Name:	National Grid
<i>Capacity in which the Amendment is being proposed:</i> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Andrew Truswell National Grid 01926 656388 Andrew.truswell@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 Emma.j.carr@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	
No	

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.

ANNEX 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 6 October 2006, requesting comments by close of business on 3 November 2006).

Representations were received from the following parties:

No.	Company	File Number
1	Scottish Power	CAP128-CR-01
2	Scottish and Southern	CAP128-CR-02
3	Centrica	CAP128-CR-03

Reference	CAP128-CR-01
Company	Scottish Power



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

Ref CAP128
Date 02nd November 2006

Tel No. 01355 845208
Email: 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.

Reference	CAP128-CR-02
Company	Scottish and Southern

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

Reference	CAP128-CR-03
Company	Centrica



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

Centrica Energy
Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD

Tel. (01753) 431000
Fax (01753) 431150
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

T: 01753 431157
M: 07789 572724
E: dave.wilkerson@centrica.co.uk

A *centrica* business
Centrica plc - The group includes British Gas Trading, British Gas Services and Accord Energy
Registered in England No.3033654. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD

ANNEX 4 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 8 November 2006, requesting comments by close of business on 22 November 2006).

Representations were received from the following parties:

No.	Company	File Number
1	Scottish and Southern	CAP128-CAAR-01
2	Scottish Power	CAP128-CAAR-02

Reference	CAP128-CAAR-1
Company	Scottish and Southern Energy

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 the Consultation Alternative for CAP 128 "Removal of Section 10 [of the CUSC] Transitional Issues" (contained within your note of 8th November 2006) whilst we have some sympathy with the intention of the Consultation Alternative, we believe, on reflection that as with the existing paragraph 5.8 in Section 5 of the CUSC it would be best to continue with the original CAP128.

Therefore we do not believe that the Consultation Alternative for CAP128 does better achieve the applicable CUSC objectives and it should not be implemented.

For the avoidance of doubt, we continue to believe that the original CUSC Amendment Proposal CAP128 does better achieve the applicable CUSC objectives and should therefore be implemented.

Regards

Garth Graham
Scottish and Southern Energy plc

Reference	CAP128-CAAR-2
Company	Scottish Power



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

Ref CAP128 Alternative
Date 22nd November 2006

Tel No. 01355 845208
Email: 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.

Although we have supported the CAP128 Original, we feel that this change would add greater clarity than the original does. The proposed text will allow a "casual" viewer of the code to understand at first glance why section 10 is missing. Indeed, it is common practice in industry documentation to highlight where a section or page is deliberately missing or left blank. We do not agree with National Grid that this change precludes the reuse of Section 10 at a future date, as any reuse would require a new CAP to be raised – the proposed text could be removed as part of this change process. As such, we support CAP128 Alternative.

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.