

CUSC Amendment Proposal Form	CAP:069
Title of Amendment Proposal:	
Users' Forecasts used in the calculation of TNUoS charges.	
Description of the Proposed Amendment <i>(mandatory by proposer):</i>	
<p>The CUSC currently requires Users to provide NGC with information that enables NGC to calculate Transmission Network Use of System (TNUoS) charges, but it <u>is-does</u> not <u>make</u> clear how precisely this information will be used in the calculation of TNUoS charges. Furthermore, there are no requirements relating to the quality of this information.</p> <p>It is proposed that the CUSC <u>will-should</u> clarify that the data submitted by Users as set out in paragraph 3.10 will be used:</p> <ul style="list-style-type: none"> ▪ As the nodal generation and nodal demand inputs into the ICRP model as specified in the Charging Statements ▪ As the forecast generation and demand inputs in the calculation of the initial transport tariff as specified in the Charging Statements; and ▪ As the forecast generation and demand in the calculation of the security and residual tariff as specified in the Charging Statements <p>The proposed amendment would make it clear that the forecasts from Users should be representative of peak conditions on the transmission system, as specified in the Charging Statements. It would ensure that the generation assumptions are consistent throughout the TNUoS tariff calculation and that the demand assumptions are consistent throughout the TNUoS tariff calculation. The amendment would also ensure consistency between the use of Generator and Supplier forecasts.</p> <p>Data should be provided in accordance with reasonable and prudent operator obligations under the CUSC. NGC shall be permitted to reject data provided by Users in specific circumstances set out in the CUSC and use its own fair and reasonable estimates <u>where they believe the data to be inappropriate. However, in this case there should be an obligation on NGC to inform the User why they have rejected the forecast.</u></p>	
Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i>	
<p>Paragraph 3.10 of the CUSC requires Users to provide forecasts to NGC on or before the end of the Second week in December for the purposes of calculating the TNUoS charges. However, it is not clear what data is required from Users or exactly how the data will be used in the calculation of TNUoS tariffs. In addition, NGC has expressed concerns over the quality of the data, particularly in relation to poor quality forecasts of demand. These concerns are equally applicable to generation forecasts.</p> <p>Currently it is unclear that there is <u>a</u> requirement for data that is representative of peak conditions to be provided by Users. This must be clarified so that Users can provide appropriate forecasts. The absence of representative forecasts may result in NGC using data derived from other sources, such as TECs in the annual SYS and its quarterly updates, as an input to the ICRP model used to calculate TNUoS charges. This data will not reflect peak conditions and its use would therefore result in TNUoS charges that are not cost-reflective.</p> <p>The Proposed Amendment will clarify the data required from Users, the timescales for its submission, the process for revising forecasts, and the requirements for new Users. These points of clarification mean that amendments to paragraph 3.11 of the CUSC would also be necessary.</p> <p>The Proposed Amendment also allows NGC to reject any forecasts in specific circumstances, and instead to use its own fair and reasonable estimates. The detailed process for doing so will be set out in the CUSC. The Proposed Amendment would therefore protect NGC (and ultimately the industry) from the effects of Users who have under-paid TNUoS charges as a result of poor quality forecasting.</p>	

Impact on the CUSC *(this should be given where possible):*

Paragraphs 3.10 and 3.11 of the CUSC would require significant amendment in order to give effect to the changes proposed above.

Impact on Core Industry Documentation *(this should be given where possible):*

Impact on Computer Systems and Processes used by CUSC Parties *(this should be given where possible):*

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

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

The proposal will improve the accuracy of data submitted by Users and consequently improve the accuracy and consistency of the data used in the TNUoS tariff calculation. This will improve the cost reflectivity of TNUoS charges and thereby better facilitate the economic, efficient and co-ordinated operation of the Transmission System.

In addition, the absence of any requirement for Users to provide reasonable forecasts may result in effective discrimination in favour of those that under-forecast or over-forecast, by reducing their TNUoS charges. Implementation of this Proposal would eliminate any discrimination and therefore better facilitate effective competition in the supply of electricity, as all Users' charges would then be cost reflective.

Details of Proposer: Organisation's Name:	RWE Innogy
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	David Tolley RWE Innogy 01905 340680 david.tolley@rweinnogy.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Shona Watt RWE Innogy 01793 892633 shona.watt@rwe.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	

Notes:

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

The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry, CV4 8JY
Or via e-mail to: CUSC.Team@uk.ngrid.com

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

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