

<b>CUSC Amendment Proposal Form</b>	<b>CAP024</b>
<b>Title of Amendment Proposal:</b> Modification of defined term 'NGC Credit Rating'	
<b>Description of the Proposed Amendment</b> <i>(mandatory by proposer):</i>  The amendment proposes extending the definition of 'NGC credit rating' to cover the situation where another licensed entity meets the requirements of their licence, but not in its current form CUSC.	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> <i>(mandatory by proposer):</i>  'NGC credit rating' is used in circumstances where National Grid seek to minimise their exposure of risk from a party at a connection site defaulting and no other party picking up any liability. It is currently set at A-/A3. Under the terms of their Distribution Licence, Distributors must maintain a credit rating BBB-. As both these requirements originate from the Electricity Act and seek to minimise the same risk it is not appropriate or efficient that they should be different. The imposition by CUSC of a higher rating than that required by the Distribution Licence imposes unnecessary costs into the industry and leads to inefficiencies in the promotion of effective competition in supply as well as reducing the effectiveness of competition in the sale, distribution and purchase of electricity.	
<b>Impact on the CUSC</b> <i>(this should be given where possible):</i>  Wording only – proposed amendment:  Definitions - 'NGC Credit Rating'  (b) Delete 'or' (c) Replace '.' with '; or' (d) (New Clause) ' where the User's Licence issued under the Electricity Act 1989 (as amended by the Utilities Act 2000) requires that User to maintain a credit rating, the credit rating defined in that User's Licence.'	
<b>Impact on Core Industry Documentation</b> <i>(this should be given where possible):</i>  None	
<b>Impact on Computer Systems and Processes used by CUSC Parties</b> <i>(this should be given where possible):</i>  None	
<b>Details of any Related Modifications to Other Industry Codes</b> <i>(where known):</i>  None	
<b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**</b> <i>(mandatory by proposer):</i>  It is normally reasonable to expect a contract between parties to include provision for the management of risk. Where a party is a licensed monopoly and the grantor of that licence is obliged by statute to ensure that the party is able to finance the activities which are the subject of obligations imposed by or under that statute, it is reasonable to assume that a party compliant with any licence obligations imposed by the grantor of the Licence for this purpose poses an acceptable risk with no further requirements. The imposition by CUSC of a higher rating than that required by the licence imposes unnecessary costs into the industry and leads to inefficiencies in the promotion of effective competition in supply as well reducing the effectiveness of competition in the sale, distribution and purchase of electricity.	

<b>Details of Proposer:</b> Organisation's Name:	Aquila Networks plc
<b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Richard Smith Aquila Networks plc 0121 530 7539 richard.smith@aquila-networks.co.uk
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Craig Finn Aquila Networks plc 08457 353637 craig.finn@aquila-networks.co.uk
<b>Attachments (Yes/No): No</b> <b>If Yes, Title and No. of pages of each Attachment:</b>	

**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:

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](mailto: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).

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.