



**National Grid**

## **AMENDMENT REPORT**

**CUSC Amendment Proposal CAP014**

**Removal of Redundant Paragraphs**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP014*

Amendment Ref	CAP014
Issue	1.0
Date of Issue	8 March 2002
Prepared by	National Grid

## DOCUMENT CONTROL

Issue	Date	Author	Change Reference
0.1	27/02/02	National Grid	Initial Draft for internal comment
0.2	28/02/02	National Grid	Draft for industry comment
1.0	08/03/02	National Grid	Formal version for submission to the Authority

## DOCUMENT LOCATION

National Grid website:

<http://www.nationalgridinfo.co.uk/cusc/index.html>

## 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

### Summary

- 1.1 Paragraph 3.12 of the CUSC that deals, inter alia, with the process relating to the preparation of Transmission Network Use of System (TNUoS) Reconciliation Statements, currently makes a distinction between pre and post-NETA reconciliation processes. In addition, a distinction between TNUoS charges for Financial Years ending on or before 31 March 2000 and those Financial Years since also exists.
- 1.2 In view of NETA 'going-live' on 27 March 2001, the distinction between pre and post-NETA reconciliation charges is no longer required and can be removed. Furthermore, as Final Reconciliation for all Financial Years ending on or before 31 March 2000 is now complete, such distinction is no longer required and can also be removed.
- 1.3 National Grid submitted CUSC Amendment Proposal CAP014 to the Amendments Panel for consideration at their 11 January 2002 meeting. CAP014 proposes a number of editorial changes relating to the TNUoS Reconciliation process. At the meeting, the Panel determined that CAP014 should proceed to wider industry consultation by National Grid (in accordance with 8.17.12(b)).
- 1.4 As a result of the above, National Grid circulated a Consultation Document to CUSC Parties and Panel Members (and other interested Parties) on 25 January 2002. Comments were requested by no later than close of business, 22 February 2002. Following the consultation, and in accordance with 8.20.3, a draft of this Amendment Report was circulated for comment on the 28 February 2002. Comments were requested by close of business, 7 March 2002.
- 1.5 This Amendment Report (Issue 1.0) was submitted to the Authority on 8 March 2002. The purpose of this document is to assist the Authority in their decision of whether to implement Amendment Proposal CAP014.
- 1.6 It should be noted that similar reference to redundant text (as proposed by CAP014) is also being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, Amendment Proposal CAP015 that was submitted for consideration at the February 2002 Amendments Panel meeting proposes similar changes (i.e. the removal of the distinction between pre and post-NETA) to Section 9 of the CUSC (re. Paragraph 9.10.4 relating to the reconciliation process for interconnectors). This Amendment Proposal is currently the subject of wider industry consultation.

## Recommendations

### National Grid Recommendation

- 1.7 National Grid recommends that Amendment Proposal CAP014 is implemented to the time-scales proposed on the basis that it better facilitates achievement of the Applicable CUSC Objectives as set out in paragraph 1 of Condition C7F to National Grid's Transmission Licence.
- 1.8 This is on the grounds that removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

### Amendments Panel View

- 1.9 The CUSC Amendments Panel members agreed with National Grid's views outlined above.

## 2.0 INTRODUCTION

- 2.1 This Amendment Report has been 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. It addresses an issue that relates to the removal of redundant paragraphs and terminology from the CUSC. It should be noted that similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002.
- 2.2 Further to the submission of Amendment Proposal CAP014 (see Annex 1), the endorsement of the proposed changes by the Amendments Panel 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 CAP014. Such an amendment will result in changes to Section 3 of the CUSC (as detailed in Annex 2).
- 2.3 This document outlines the nature of the CUSC changes that are proposed for implementation with effect from 1 April 2002. It incorporates National Grid's and the Amendments Panel's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been included. Furthermore, a 'summary' of the representations received is also provided.

- 2.4 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 <http://www.nationalgridinfo.co.uk/cusc>.

### **3.0 THE PROPOSED AMENDMENT**

- 3.1 CUSC Amendment Proposal CAP014 (see Annex 1) as submitted by National Grid proposes a number of editorial changes to the CUSC. These include the removal of paragraph 3.12.1(a), the amalgamation of paragraphs 3.12.1(b) and 3.12.1(c), the modification of paragraphs 3.12.2 and 3.12.4 and the addition of two definitions to Section 11 of the CUSC. Annex 2 details the proposed amendments to the CUSC. The changes are required in order to remove redundant paragraphs and terminology in order to improve the clarity of the CUSC documentation.
- 3.2 Paragraph 3.12.1(a) relates to the reconciliation of Transmission Network Use of System (TNUoS) charges for Financial Years ending on or before 31 March 2000. As final reconciliation of 1999/2000 TNUoS charges has now been completed, this paragraph is now redundant and can be removed. Paragraphs 3.12.1(b) and 3.12.1(c) distinguish between pre-NETA and post-NETA reconciliation. As this distinction is no longer required for the purposes of TNUoS reconciliation, the two paragraphs can now be combined. Finally, the 'Notional Amount A' and 'Actual Amount A' terminology is no longer required as once again, they relate to charges for Financial Years ending on or before 31 March 2000 and are hence redundant. This means all references of 'Notional Amount A' and 'Actual Amount A' (in Paragraph 3.12) can be removed and all instances of 'Notional Amount B' can be changed to 'Notional Amount' and all instances of 'Actual Amount B' (in Paragraph 3.12) can be changed to 'Actual Amount'. Definitions of 'Notional Amount' and 'Actual Amount' also need to be added to Section 11.
- 3.3 It should be noted that similar reference to redundant text (as proposed by CAP014) is also being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, Amendment Proposal CAP015 that was submitted for consideration at the February 2002 Amendments Panel meeting proposes similar changes (i.e. the removal of the distinction between pre and post-NETA) to Section 9 of the CUSC (re. Paragraph 9.10.4 relating to the reconciliation process for interconnectors). This Amendment Proposal is currently the subject of wider industry consultation.

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

4.1 The applicable CUSC Objectives are set out in paragraph 1 of Condition C7F of the Transmission Licence. CUSC amendments should better facilitate achievement of the Applicable CUSC Objectives. These can be summarised as follows:

- (a) the efficient discharge by NGC of the obligations imposed on it by the Act and the Transmission Licence; and
- (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

4.2 National Grid recommends that Amendment Proposal CAP014 is implemented to the time-scales proposed on the basis that it better facilitates achievement of the Applicable CUSC Objectives as set out in paragraph 1 of Condition C7F to National Grid's Transmission Licence.

4.3 This is on the grounds that removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

## **5.0 PROPOSED IMPLEMENTATION AND TIME-SCALES**

5.1 It is recommended that Amendment Proposal CAP014 as detailed in this Amendment Report be implemented with effect from 5 days after the Authority's decision or 1 April 2002 (whichever is the later date).

## **6.0 IMPACT ON CUSC**

6.1 The proposed Amendment Proposal will require the modification of Paragraph 3.12 of the CUSC (Reconciliation Statements). The relevant legal drafting is contained in Annex 2 of this Amendment Report.

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

7.1 It is envisaged that Amendment Proposal CAP014 will have no impact on any core industry documents.

### **Changes required & Timescales to be followed to give effect to the Proposed Amendment**

- 7.2 As it is envisaged that Amendment Proposal CAP014 will have no impact on any core industry documents no changes are required.

### **Changes or Developments Required to Central Computer Systems & Timescales Involved**

- 7.3 It is envisaged that Amendment Proposal CAP014 will have no impact on Central Computer Systems established under core industry documentation.

### **Estimation of Costs**

- 7.4 Not Applicable.

## **8.0 IMPACT ON CUSC PARTIES**

- 8.1 It is envisaged that Amendment Proposal CAP014 will have no impact on any CUSC Parties.

## **9.0 ALTERNATIVE AMENDMENTS**

### **Description of Alternative Amendment**

- 9.1 No alternative Amendments have been offered or considered as part of this Amendment Proposal.

### **Assessment against Applicable CUSC Objectives**

- 9.2 Not applicable as no alternative Amendments have been offered or considered.

## **10.0 SUMMARY OF VIEWS AND REPRESENTATIONS**

### **Amendments Panel Members**

- 10.1 CUSC Amendments Panel members agreed with and supported the implementation of CUSC Amendment Proposal CAP014. This was on the grounds that the removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate effective competition in the generation and supply of electricity, and (so far as consistent



therewith) facilitating such competition in the sale, distribution and purchase of electricity.

### **Core Industry Document Owners**

10.2 No views have been received from Core Industry Document Owners.

### **Respondents**

10.3 National Grid received a total of 3 responses to the consultation on CUSC Amendment CAP014, all of which were supportive of the proposal.

10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

<b>Reference</b>	<b>Company Name</b>	<b>Supportive</b>	<b>Summary of Comments</b>
CAP014-CR-01	All TXU Companies	Yes	Supportive of the proposal as drafted.
CAP014-CR-02	British Gas Trading Ltd, Accord Energy, Centrica Kings Lynn and Centrica Peterborough	Yes	Supportive of the proposal but suggests a clearer description of the meaning of 'Actual Amount' and 'Notional Amount' is included in Section 11 – Interpretation and Definitions.
CAP014-CR-03	Scottish Power Energy Retail Limited and Scottish Power Generation Limited	Yes	Supportive of the proposal as drafted.

### **National Grid's Views**

10.6 National Grid's recommendation regarding this Amendment Proposal is outlined in paragraphs 4.2 and 4.3 above. National Grid has reviewed responses to the consultation on CAP014 and is satisfied that this proposal should be implemented as agreed by the Amendments Panel.

10.7 With regards the suggestion for providing a clearer description of the meaning of the terms Actual Amount and Notional Amount (as raised in response CAP014-CR-02), National Grid welcomes such suggestions for the purposes of further improving the clarity of the CUSC documentation. However, as it is our intention to carry out a full review of the definitions included in Section 11 in the near future (possibly as part of a wider house-keeping Amendment Proposal) it is proposed that we consider these suggestions at that time.

## **Annex 1 – CUSC Amendment Proposal**

<b>CUSC Amendment Proposal Form</b>	<b>CAP014</b>
<p><b>Title of Amendment Proposal:</b></p> <p>Changes to remove redundant paragraphs from CUSC (Note: similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002).</p>	
<p><b>Description of the Proposed Amendment</b> <i>(mandatory by proposer):</i></p> <p>This Amendment proposes the removal of redundant paragraphs from the CUSC (Note: similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002).</p>	
<p><b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> <i>(mandatory by proposer):</i></p> <p>This change to Section 3.12 is being proposed to remove the redundant paragraphs and terminology (which distinguish between pre-NETA and post-NETA) that relate to the Transmission Network Use of System charge reconciliation process. The attachment provides further detail of the proposed amendments.</p>	
<p><b>Impact on the CUSC</b> <i>(this should be given where possible):</i></p> <p>See attached draft text.</p>	
<p><b>Impact on Core Industry Documentation</b> <i>(this should be given where possible):</i></p> <p>None.</p>	
<p><b>Impact on Computer Systems and Processes used by CUSC Parties</b> <i>(this should be given where possible):</i></p> <p>None.</p>	
<p><b>Details of any Related Modifications to Other Industry Codes</b> <i>(where known):</i></p> <p>Similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002.</p>	
<p><b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives</b> <i>(mandatory by proposer):</i></p> <p>Improving clarity and removing uncertainty from the CUSC documentation enables National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.</p>	

<b>Details of Proposer:</b> Organisation's Name:	National Grid
<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:	Andy Balkwill National Grid 024 7642 3198 <a href="mailto:andy.balkwill@uk.ngrid.com">andy.balkwill@uk.ngrid.com</a>
<b>Details of Representative's Alternate:</b>  Name: Organisation: Telephone Number: Email Address:	Mike Metcalfe National Grid 024 7642 3235 <a href="mailto:michael.metcalfe@uk.ngrid.com">michael.metcalfe@uk.ngrid.com</a>
<b>Attachments (Yes/No):</b> Yes	
<b>If Yes, Title and No. of pages of each Attachment:</b>	
Outline of Changes Required to Complement Proposed Modifications to the Statement of the Use of System Charging Methodology (1 Page)	

**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:

Mark Cox  
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).

**Attachment**

## Outline of Changes Required to Complement Proposed Modifications to the Statement of the Use of System Charging Methodology

- (i) Remove Paragraph 3.12.1(a)

*Reason for change: This paragraph is no longer required as it relates to Transmission Network Use of System (TNUoS) charges in each Financial Year ending on or before 31 March 2000. Final reconciliation of 1999/2000 TNUoS Charges has been completed resulting in this paragraph now being redundant.*

- (ii) Combine Paragraphs 3.12.1(b) and 3.12.1(c) as drafted below and renumber to 3.12.1

Calculation of Initial Reconciliation

3.12.1 On or before 30 June in each **Financial Year**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges the Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by the **User** during each month during the preceding **Financial Year (Actual Amount)**. **NGC** shall then compare the **Actual Amount** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during the preceding **Financial Year** by the **User** (the "**Notional Amount**").

*Reason for change: No distinction between pre-NETA and post-NETA reconciliation required.*

- (iii) Modify Paragraphs 3.12.2 and 3.12.4 as drafted below:

Generation Reconciliation

3.12.2 As soon as reasonably practicable and in any event by 31 March in each **Financial Year** **NGC** shall prepare a generation reconciliation statement (the "**Generation Reconciliation Statement**") in respect of generation related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount** and the **Notional Amount** of generation related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.

Initial Demand Reconciliation Statement

3.12.4 As soon as reasonably practicable and in any event by 30 June in each **Financial Year** **NGC** shall then prepare an initial **Demand** reconciliation statement (the "**Initial Demand Reconciliation Statement**") in respect of **Demand** related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount** and the **Notional Amount** of **Demand** related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.

*Reason for change: Remove redundant references to 'Notional Amount A' and 'Actual Amount A' that relate to charges in each Financial Year ending on or before 31 March 2000. Change all instances of 'Notional Amount B' to 'Notional Amount' and change all instances of 'Actual Amount B' to 'Actual Amount'.*

- (iv) Amend definitions in Section 11 as necessary.

## Annex 2 – Proposed Text to Modify CUSC

### Changes to Paragraph 3.12 as follows:

#### 3.12 RECONCILIATION STATEMENTS

##### 3.12.1 Calculation of Initial Reconciliation

~~(a) On or before 31 March in each **Financial Year** ending on or before 31 March 2000, **NGC** shall promptly calculate in accordance with the statement published by **NGC** in accordance with Licence Condition 10 (as subsisting at the relevant date of publication) of the **Transmission Licence** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by each **User** during each month during that **Financial Year (Actual Amount A)**. **NGC** shall then compare the **Actual Amount A** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during that **Financial Year** by the **User** (the “**Notional Amount A**”).~~

~~(b) On or before 30 June in the first **Financial Year** beginning after the **NETA Go-live Date**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by the **User** during each month during the preceding **Financial Year (Actual Amount B)**. **NGC** shall then compare the **Actual Amount B** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during the preceding **Financial Year** by the **User** (the “**Notional Amount B**”).~~

~~(c) On or before 30 June in the second and later **Financial Years** commencing after the **NETA Go-live Date**, **NGC** shall promptly calculate on the basis set out in the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by the **User** during each month during the preceding **Financial Year (Actual Amount B)**. **NGC** shall then compare the **Actual Amount B** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during the preceding **Financial Year** by the **User** (the “**Notional Amount B**”).~~

On or before 30 June in each **Financial Year**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by the **User** during each month during the preceding **Financial Year (Actual Amount)**. **NGC** shall then compare the **Actual Amount** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during the preceding **Financial Year** by the **User** (the “**Notional Amount**”).

Generation Reconciliation

- 3.12.2 As soon as reasonably practicable and in any event by 31 March in **each Financial Year NGC** shall prepare a generation reconciliation statement (the "**Generation Reconciliation Statement**") in respect of generation related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount A** and the **Notional Amount A** ~~or the Actual Amount B and the Notional Amount B (as appropriate)~~ of generation related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- 3.12.3 Together with the **Generation Reconciliation Statement**, **NGC** shall issue a credit note in relation to any sums shown by the **Generation Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **NGC** and in each case interest thereon calculated pursuant to Paragraph 3.12.6 below.

Initial Demand Reconciliation Statement

- 3.12.4 As soon as reasonably practicable and in any event by 30 June in each **Financial Year NGC** shall then prepare an initial **Demand** reconciliation statement (the "**Initial Demand Reconciliation Statement**") in respect of **Demand** related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount A** and the **Notional Amount A** ~~or the Actual Amount B and the Notional Amount B (as appropriate)~~ of **Demand** related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- 3.12.5 Together with the **Initial Demand Reconciliation Statement** **NGC** shall issue a credit note in relation to any sum shown by the **Initial Demand Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **NGC** and in each case interest thereon calculated pursuant to Paragraph 3.12.6.

**New Definitions to be added to Section 11 as follows:**

"Actual Amount" as defined in Paragraph 3.12

"Notional Amount" as defined in Paragraph 3.12

### Annex 3 – Copies of Representations Received

This Annex includes copies of any representations received following circulation of the consultation document (circulated on 25<sup>th</sup> January 2002 requesting comments by close of business 22<sup>nd</sup> February 2002).

Representations were received from the following parties:

No.	Company	File Number
1	All TXU Companies which are CUSC Signatories	CAP014-CR-01
2	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough	CAP014-CR-02
3	Scottish Power Energy Retail Limited and Scottish Power Generation Limited.	CAP014-CR-03



<b>Reference</b>	<b>CAP014-CR-01</b>
<b>Company</b>	<b>All TXU Companies</b>

TXU Europe Energy Trading Ltd  
Wherstead Park  
Wherstead  
Ipswich  
Suffolk  
IP9 2AQ  
29<sup>th</sup> January 2002

David Friend  
Commercial Development  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

Dear David

**CAP 014 – Consultation Response**

In response to the above Consultation I confirm, on behalf of all TXU Companies which are CUSC signatories, that we support the proposed Modification.

Yours sincerely

Philip Russell  
Market Development Manager

<b>Reference</b>	<b>CAP014-CR-02</b>
<b>Company</b>	<b>British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.</b>



Mr David Friend  
National Grid Company plc  
Commercial Development  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

**Transportation Services**  
**17 London Road**  
**Staines**  
**Middlesex**  
**TW18 4AE**

Tel: 01784 645823  
Fax: 01784 645260

15th February 2002

Dear Mr Friend

#### **CUSC Amendment Proposal CAP014 – Removal of Redundant Paragraphs**

British Gas welcomes the opportunity to comment on the CUSC Amendment Proposal CAP014. This response is on behalf of British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.

In principle we support the Amendment Proposal put forward by NGC for the removal of redundant paragraphs in 3.12 from the CUSC and agree that the pre-NETA reconciliation arrangements are no longer required. The removal of these paragraphs would improve the clarity of the CUSC documentation and achieve the objective of the efficient discharge by the Licensee (NGC) of the obligations imposed upon it by the Electricity Act and its transmission licence.

However, in Section 11 rather than cross-reference the definition for **Actual Amount** and **Notional Amount** to paragraph 3.12 we suggest a clearer description of the meaning of these terms should be captured in Section 11 – Interpretation and Definitions. Appendix 1 to this letter suggests some more explicit wording for these defined terms and amends the wording of 3.12.1 to reflect this change.

If you wish to discuss any aspect of our response in more detail please do not hesitate to contact me directly on the number above.

Yours sincerely,

**Brian Sequeira**  
**Senior Account Manager**

**Appendix 1 – CAP014: Suggested Redrafting of 3.12 and Section 11**

## Section 11 Proposed Amendments:

“**Actual Amount**” an amount that is payable by the **User** during each month during the preceding **Financial Year** to **NGC** in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** for the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be).

“**Notional Amount**” an amount that was paid by the **User** during each month during the preceding **Financial Year** to **NGC** in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** for the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be).

## 3.12.1 Proposed Amendments:

On or before 30 June in each **Financial Year**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be). **NGC** shall then compare the **Actual Amount** payable with the **Notional Amount** paid by the **User** during each month during the preceding **Financial Year**.

<b>Reference</b>	<b>CAP0014-CR-03</b>
<b>Company</b>	<b>Scottish Power Energy Retail Limited and Scottish Power Generation Limited</b>

-----Original Message-----

**From:** Sheikh, Abid [<mailto:Abid.Sheikh@ScottishPower.plc.uk>]  
**Sent:** 21 February 2002 16:43  
**To:** Friend, David  
**Subject:** CUSC Consultation: CAP013 & CAP014

Dear Mr. Friend,

Many thanks for the opportunity to consider the consultation documents in respect of CUSC Amendment proposals CAP013 and CAP014. This response is provided on behalf of ScottishPower Energy Retail Limited and Scottish Power Generation Limited.

We agree that these amendments should be made to the CUSC. In both cases, the changes proposed are of a general housekeeping nature. We are satisfied that the reasons provided by both NGC and the Amendments Panel, viz. that the removal of redundant paragraphs will add to the clarity of CUSC documentation and enable NGC to meet its obligations under the Transmission Licence in line with the Applicable CUSC Objectives, are valid.

We have also studied the proposed changes to the text of the CUSC in each case and are satisfied that these are appropriate.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh  
Commercial Analyst (0141 568 3113)

## Annex 4 – Copies of Representations Received

This Annex includes copies of any representations received following circulation of the draft amendment report (circulated on 28<sup>th</sup> February 2002 requesting comments by close of business 7<sup>th</sup> March 2002).

Representations were received from the following parties:

No.	Company	File Number
1	Scottish Power Energy Retail Limited and Scottish Power Generation Limited.	CAP014-AR-01
2	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough	CAP014-AR-02

<b>Reference</b>	<b>CAP014-AR-01</b>
<b>Company</b>	<b>Scottish Power Energy Retail Limited and Scottish Power Generation Limited</b>

### **CUSC Draft Amendment Reports**

CAP013: Removal of redundant paragraph 6.6.1 (b) – Energy related charges

CAP014: Removal of redundant paragraphs

Dear Mr. Friend,

Many thanks for the opportunity to consider the draft Amendment Reports in respect of CUSC Amendment proposals CAP013 and CAP014. This response is provided on behalf of ScottishPower Energy Retail Limited and Scottish Power Generation Limited.

We wish to reiterate the comments which we previously provided in support of these Amendments.

We also note the comments of NGC in response to comments on the previous consultations in terms of the process to be adopted to tidy up drafting errors in the CUSC. We trust that NGC will undertake this housekeeping process in as efficient a manner as possible by ensuring that minor errors are dealt with through one, rather than multiple, Amendment proposals.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh  
Commercial Analyst (0141 568 3113)

<b>Reference</b>	<b>CAP014-AR-02</b>
<b>Company</b>	<b>British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.</b>



Mr David Friend  
National Grid Company plc  
Commercial Development  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

**Transportation Services**  
**17 London Road**  
**Staines**  
**Middlesex**  
**TW18 4AE**

Tel: 01784 645823  
Fax: 01784 645260

6th March 2002

Dear David,

#### **CUSC Amendment Proposal CAP014 – Removal of Redundant Paragraphs**

Thank you for the opportunity to comment on the Amendment Report in respect of the above Amendment Proposal. British Gas Trading Limited submitted comments on behalf of itself and other CUSC parties at the consultation phase in respect of CAP0014.

Our comments supporting the Amendment Proposal remain unchanged from our previous response dated 15<sup>th</sup> February 2002. We note NGC's views in 10.7 of the Amendment Report to our specific points raised and understand the reasoning behind their suggested approach. However, we still felt that in the interests of clarity to the CUSC documentation and to avoid any uncertainty as to when the changes to Section 11 will be made that our suggestions be given further consideration for implementation at the earliest opportunity. Paragraph 3.12 as currently reworded does not provide for clear descriptions of **Actual Amount** and **Notional Amount**.

One further observation that we would like to make in respect of the comment in paragraph 5.1 is that whilst the implementation date of 1<sup>st</sup> April 2002 appears appropriate the timescale for implementation of CUSC amendments are subject to Ofgem's final approval. To avoid any problems in this area should any decision be delayed we would suggest that the implementation date be changed to 5 days after the Authority's decision or 1<sup>st</sup> April 2002 (subject to approval), whichever is the later date.

If you wish to discuss any aspect of our response in more detail please do not hesitate to contact me directly on the number above.

Yours sincerely,

**Brian Sequeira**  
**Senior Account Manager**