

CUSC Amendment Proposal Form	CAP: 125
<p>Title of Amendment Proposal:</p> <p>Revisions Resulting from Interconnector Separation</p>	
<p>Description of the Proposed Amendment (<i>mandatory by proposer</i>):</p> <p>The amendment proposes to remove certain provisions in the CUSC relating to the French Interconnector. Historically, this was part of National Grid Electricity Transmission plc (“NGET” or “The Company”), but on 14th August 2006 was transferred to a separate legal entity, National Grid Interconnectors Ltd (“NGIL”), as part of the process of interconnector licensing. It is now appropriate to amend the CUSC to reflect the consequential effects of this separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>):</p> <p>Section 9.19 of the CUSC states that “Where the Interconnector Error Administrator is The Company or Interconnectors Business, the User for the purposes of this Part II will be The Company”. “Interconnectors Business” is defined as “the business of The Company or any Affiliate or Relating Undertaking in the ownership and/or operation of any Interconnector”, where the definition of “Affiliate” includes “any subsidiary of a holding company of The Company”. Therefore, the definition of “Interconnectors Business” could include NGIL, and the User for the purposes of Section 9, Part II would default back to NGET, contrary to the objectives of the separation process (which were to make the operation of an Interconnector a separate licensable activity from any other licensed activity, such as transmission). It is therefore proposed to remove the reference to “Interconnectors Business” from section 9.19, and indeed to delete it as a defined term.</p> <p>The proposed amendment also seeks to remove references to “Existing Contractual Arrangements” that are redundant now that NGIL has assumed NGET’s responsibilities with regards to the French Interconnector.</p>	
<p>Impact on the CUSC (<i>this should be given where possible</i>):</p> <p>Revisions to sections 9.2, 9.19 and 9.23 of the CUSC will be required to remove the references to “Interconnectors Business” and “Existing Contractual Arrangements”.</p> <p>The definitions of “Interconnectors Business” and “Existing Contractual Arrangements” will be deleted from Section 11, and the definition of “Separate Business” will be revised.</p> <p>The proposed Legal text to modify the CUSC is detailed in the appendix, comprising the insertion of the coloured underlined text and the deletion of the coloured struckthrough text.</p>	
<p>Impact on Core Industry Documentation (<i>this should be given where possible</i>):</p> <p>None anticipated.</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties (<i>this should be given where possible</i>):</p> <p>None anticipated.</p>	

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):

Interconnector licensing and separation means that the French Interconnector can now be treated in the CUSC as any other User. Consequently National Grid believes removing any potential ambiguity in this area from the CUSC would therefore better facilitate the achievement of applicable CUSC objective (b), **(the facilitation of effective competition in the generation and supply of electricity)**.

Details of Proposer: Organisation's Name:	National Grid
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:	Andrew Truswell National Grid Company plc 01926 656388 andrew.truswell@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid Company plc 01926 655843 emma.j.carr@uk.ngrid.com
Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Indicative Draft Legal Text for Sections 9 and 11 of the CUSC (3 pages)	

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:

Beverley Viney

Panel Secretary
Commercial Frameworks
National Grid Electricity Transmission plc
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 C10, paragraph 1. Reference should be made to this section when considering a proposed amendment.

Attachment 1: Indicative Draft Legal Text

CUSC - SECTION 9

9.2 CONNECTION – INTRODUCTION

This Part I deals with connection to the **GB Transmission System** by an **Interconnector Owner**. The **User** for the purposes of this Part I will therefore be the **Interconnector Owner**. ~~Given that the **Existing Contractual Arrangements** in respect of the **Interconnector** between England and France were not as at the **CUSC Implementation Date** governed by the **MCUSA** there is no obligation for the **Interconnector Owner** in that case to enter into Part 1 of Section 9 as at the **CUSC Implementation Date** provided always that upon termination of such **Existing Contractual Arrangements** any subsequent **Connection** to the **GB Transmission System** shall be entered into and governed by the terms of this **CUSC**.~~

9.19 INTRODUCTION

This Part II deals with rights and obligations relating to use of the **GB Transmission System** by **Interconnector Users** and **Interconnector Error Administrators** ~~(whether in respect of an **Interconnector** governed by the **Existing Contractual Arrangements** or otherwise).~~ An **Interconnector Error Administrator** is deemed to be using the **GB Transmission System** because of its registered **BM Units** in respect of which it has an obligation to pay **Balancing Services Use of System Charges**. The **User** for the purposes of this Part II will therefore be an **Interconnector User** and/or an **Interconnector Error Administrator**. Where the **Interconnector Error Administrator** is **The Company** ~~or **Interconnectors Business**~~, the **User** for the purposes of this Part II will be **The Company**.

9.23 TERMINATION AND RELATED PROVISIONS

9.23.1 A **User** may terminate its use of the **GB Transmission System** by giving **The Company** a **Use of System Termination Notice** not less than 28 days prior to such termination of use and the right to use the **GB Transmission System** shall cease upon the termination date in the **Use of System Termination Notice**.

9.23.2.1 Use shall cease forthwith upon:

- (a) There ceasing to be a **Bilateral Connection Agreement** ~~or termination of the **Existing Contractual Arrangements**~~ for the **Connection Site** of the relevant **Interconnector**;
- (b) disconnection of the **Connection Site** of the relevant **Interconnector** pursuant to Section 5 ~~or, in the case of the French~~

~~Interconnector, pursuant to the Existing Contractual Arrangements;~~

(c) an **Event of Default** by the **User** as provided for in Section 5.

9.23.2.2 Use shall be suspended for the period of any **Deenergisation** of the **Connection Site** of the relevant **Interconnector** pursuant to the **CUSC**, ~~or in the case of the French Interconnector, the Existing Contractual Arrangements.~~

9.23.3 Prior to termination by a **User** under Paragraph 9.23.1 above, the **User** shall pay to **The Company** all **Balancing Services Use of System Charges** payable by the **User** in respect of the **Financial Year** in which the cessation takes place.

9.23.4 Termination of use under this Paragraph 9.23 shall not relieve a User of its obligation under 9.22 to pay any outstanding **Balancing Services use of System Charges** in respect of any **Settlement Day** for which the **Payment Date** fell after the date of the termination of use.

~~9.23.5 The right of The Company to request the Interconnector Owner to cease or procure the cessation of the transfer of power across the relevant Interconnector as provided for in Paragraph 9.17 and Section 5 of the CUSC is subject, in the case of the French Interconnector, to the Existing Contractual Arrangements providing for this.~~

CUSC - SECTION 11

“Existing Contractual Arrangements”

~~shall mean in the case of the Interconnector between England and France existing as at the CUSC Implementation Date the Interconnector Framework Agreement made between NGC and R.T.E. dated 11 December 2000 as amended from time to time, the Operating Agreement known as the “Procedures for Operation of the Cross Channel Link Pink Version or Version Rose” dated 3 April 1989 as amended from time to time and the Protocol between CEGB and Electricité de France dated 16 June 1981 and in the case of the Interconnector between England and Scotland existing as at the CUSC Implementation Date the Use of Interconnector Agreement (Scotland) 1991 made between NGC and Scottish Power plc and Scottish Hydro Electric plc dated 30 April 1991 as amended from time to time and the British Grid Systems Agreement;~~

~~“Interconnectors Business”~~

~~the business of The Company or any Affiliate or Related Undertaking in the ownership and/or operation of any Interconnector;~~

“Separate Business”

~~each of the Transmission and Interconnectors Businesses~~ taken separately from ~~one another and from~~ any other business of **The Company**, but so that where all or any part of such business is carried out by an **Affiliate** or **Related Undertaking** of **The Company** such part of the business as is carried out by that **Affiliate** or **Related Undertaking** shall be consolidated with any other such business of **The Company** (and of any other **Affiliate** or **Related Undertaking**) so as to form a single **Separate Business**;