

<b>CUSC Amendment Proposal Form</b>	<b>CAP:146</b>
<b>Title of Amendment Proposal:</b>	
<b>Responsibilities and liabilities associated with Third Party Works and Modifications made by Modification Affected Users</b>	
<b>Description of the Proposed Amendment</b> <i>(mandatory by proposer):</i>  The CUSC to be amended to:  <ol style="list-style-type: none"> <li>1. Clarify that National Grid is responsible for arranging and paying for all Third Party Works listed in Appendix N of all relevant Construction Agreements.</li> <li>2. Change the provisions in Section 6 of the CUSC relating to Modifications made by Modification Affected Users so that National Grid is responsible for paying the costs of all such Modifications.</li> </ol>	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> <i>(mandatory by proposer):</i>  The amendment seeks to change the CUSC in respect of two areas where works are required by third parties in order to accommodate infrastructure investment on the transmission system. Although slightly different areas of the CUSC, both relate to the same basic issue.  <ol style="list-style-type: none"> <li>1. <b>Third Party Works</b>  Third Party Works are sometimes specified in the Construction Agreements of Users seeking to connect to the transmission system and of those already connected who wish to increase their Transmission Entry Capacity (TEC). These works are required to be carried out on assets owned by parties other than the connecting party and National Grid, before the new connection or increase in TEC can be accommodated. However, the Construction Agreement does not specify who is responsible for organising and paying for these works. National Grid's working practice is to require the connecting party to do so. E.ON does not believe that this is a reasonable practice and believes that National Grid should be responsible for all works required to facilitate changes to the transmission system.</li> <li>2. <b>Modifications made by Modification Affected Users</b>  Section 6.9 and 6.10 of the CUSC contain provisions relating to Modifications (as defined in the CUSC). Paragraph 6.10.3 requires a User who requests a Modification to compensate relevant Users for the cost of other Modifications which are deemed necessary as a consequence. Again, E.ON does not believe that this is a reasonable practice and that National Grid should compensate such Users, consistent with our position relating to Third Party Works above.  We believe that the User should not be responsible for arranging and paying for either category of works described above as: <ol style="list-style-type: none"> <li>a) It is not consistent with a shallow connection regime.</li> <li>b) It is not consistent with clustering.</li> <li>c) It is inconsistent with the one-stop-shop principle of the GBSO being responsible for providing connection offers.</li> <li>d) It is not appropriate to potentially expect a new entrant to contract directly with an incumbent competitor in order to gain entry into the market.</li> <li>e) It is not clear that the applicant is the most appropriate party to carry out this work.</li> <li>f) National Grid is responsible for the connection design. Therefore, it should be responsible for seeing it through. The User, by contrast does not specify the transmission reinforcement associated with its connection and should therefore not be responsible for its implementation.</li> </ol> </li> </ol>	

<p><b>Impact on the CUSC</b> <i>(this should be given where possible):</i></p> <p><b>We would expect at least the following changes:</b></p> <ol style="list-style-type: none"> <li><b>1. A change to the definition of User's works to clarify that they do not include Third Party Works.</b></li> <li><b>2. A change to the definition of Construction Works to include Third Party Works.</b></li> <li><b>3. A change to 6.10.3 to clarify that National Grid should be responsible for paying for Modifications triggered by other Modifications.</b></li> <li><b>4. It may be necessary to include a clause in the main text of the CUSC to clarify that National Grid is responsible for arranging and paying for any Third Party Works to be carried out and that these responsibilities cannot be imposed on Users through their bilateral agreements.</b></li> </ol>
<p><b>Impact on Core Industry Documentation</b> <i>(this should be given where possible):</i></p> <p><b>None expected.</b></p>
<p><b>Impact on Computer Systems and Processes used by CUSC Parties</b> <i>(this should be given where possible):</i></p> <p><b>Existing Construction Agreements containing such clauses would be reissued with the new amendments.</b></p>
<p><b>Details of any Related Modifications to Other Industry Codes</b> <i>(where known):</i></p> <p><b>None expected.</b></p>
<p><b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**</b> <i>(mandatory by proposer):</i></p> <p><b>The present access regime operates under a mainly shallow connection policy. However, some applicants are randomly subjected to deep responsibilities and liabilities under the present arrangements, which we do not believe are consistent with a shallow, clustered approach and which are unnecessary and inappropriate. These act as a barrier to competition in generation. Therefore their removal will benefit objective b), facilitating effective competition in the generation and supply of electricity.</b></p> <p><b>Furthermore, clarifying the responsibilities associated with Third Party Works will remove an unnecessary complication in the current connection and use of system arrangements, which will benefit applicable objective a), the efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence.</b></p>

<p><b>Details of Proposer:</b> Organisation's Name:</p>	<p>Paul Jones E.ON UK plc</p>
<p><b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")</p>	<p>CUSC Party</p>
<p><b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:</p>	<p>Paul Jones E.ON UK plc 02476 183 838 paul.jones@eon-uk.com</p>

<b>Details of Representative's Alternate:</b> Name: Ben Sheehy Organisation: E.ON UK plc Telephone Number: 02476 183 381 Email Address: ben.sheehy@eon-uk.com
<b>Attachments:</b>  <b>Title and No. of pages of each Attachment:</b>