

# Stage 05: Draft CUSC Modification Self-Governance Report

## CMP212 Setting limits for claim: submission, validation, and minimum financial threshold values in relation to Relevant Interruptions

What stage is this document at?

01	Initial Written Assessment
02	Workgroup Consultation
03	Workgroup Report
04	Code Administrator Consultation
05	Draft CUSC Modification Report
06	Final CUSC Modification Report

This proposal seeks to modify the Relevant Interruption claims process set out in Section 5.10 of the CUSC.

Published on: 06 December 2012



***The Workgroup concludes:***

***That Workgroup Alternative CUSC Modification 1 should be implemented as it better facilitates the Applicable CUSC Objectives***



***National Grid Opinion:***

**The CMP212 original should be implemented as it better facilitates the Applicable CUSC Objectives. National Grid believes WACM1 is not appropriate as it extends the remit of the Panel.**



***Medium Impact:***

CUSC parties, BSC parties, Transmission Company



***Low Impact:***

None identified

## Contents



### Any Questions?

Contact:

**Steve Lam**

Workgroup Technical  
Secretary



[steven.lam@  
nationalgrid.com](mailto:steven.lam@nationalgrid.com)



01926 653 534

Proposer:

**Tariq Hakeem**

National Grid

1	Summary .....	3
2	Why Change?.....	6
3	Solution .....	7
4	Summary of Workgroup Discussions.....	8
5	Summary of Workgroup Responses.....	12
6	Impacts .....	17
7	Proposed Implementation.....	18
8	The Case for Change.....	18
9	Code Administrator Consultation Responses .....	21
	Annex 1 - Proposed Legal Text .....	23
	Annex 2 – Sample - Loss of Transmission Access Compensation Claim Form .....	25
	Annex 3 – Sample claim reporting template.....	27
	Annex 4 - Workgroup Terms of Reference .....	28
	Annex 5 - CMP212 Proposal Form.....	32
	Annex 6 - Workgroup Attendance Register.....	36
	Annex 7 - Workgroup Consultation Responses.....	37
	Annex 8 – Code Administrator Consultation Responses.....	72

## About this document

This is a draft of the CUSC Modification Report which contains responses to the Code Administrator Consultation and has been prepared and issued by National Grid under the rules and procedures specified in the CUSC.

## Document Control

Version	Date	Author	Change Reference
0.1	27 November 2012	Code Administrator	Draft for Industry Comment
0.2	6 December 2012	Code Administrator	Version for Panel Vote

## 1 Summary



- 1.1 This document summarises the CMP212 Modification Proposal and the Workgroup's discussions and conclusions.
- 1.2 CMP212 seeks to amend the Relevant Interruption claims process as set out in Section 5.10 of the CUSC.
- 1.3 CMP212 was raised by National Grid Electricity Transmission plc (NGET) following discussions at the BSSG (Balancing Services Standing Group), which had discussed the CUSC defects that this modification seeks to rectify.
- 1.4 CMP212 was submitted to the CUSC Modifications Panel for their consideration on 29 June 2012. The Panel determined that the proposal should be considered by a Workgroup and that the Workgroup should report back to the October Panel, including a 20 day period for Workgroup Consultation. The Panel also provided an initial view that it should be progressed under the Self-governance route.
- 1.5 The modification highlighted three defects in the CUSC:
  - The CUSC does not specify any timescales by which a Relevant Interruption claim can be submitted;
  - The CUSC does not specify any timescales within which National Grid has to confirm the validity or otherwise of a Relevant Interruption claim; and
  - The CUSC does not specify a minimum threshold value for a Relevant Interruption Claim.
- 1.6 The CUSC Modification Panel directed the Workgroup to consider and report on a number of specific issues in addition to those raised by the modification:
  - Consider the reporting mechanism for claims
  - Develop a template form for submitting a claim
  - Review the illustrative legal text
- 1.7 The Workgroup met on 31 July 2012 and the members accepted the Terms of Reference. A copy of the Terms of Reference is attached in Annex 1 of this document. The Workgroup considered the issues raised by the CUSC Modification Proposal and worked through the Terms of Reference. The Workgroup's discussions are documented in section 4 of this report.
- 1.8 The Workgroup Consultation closed on 14 September 2012 and 7 responses were received. The responses are attached as Annex 7 to this report; a high level summary of the responses is shown in section 5.
- 1.9 A final Workgroup meeting was held on the 2 October 2012; whereby one Workgroup member proposed an alternative to the original modification which the Workgroup supported. The alternative is the same as the original except the alternative proposes a nominal de-minimis level, with the CUSC Panel able to vary the de-minimis level between a nominal amount and up to a maximum of £5000 (as deemed necessary).
- 1.10 The Workgroup's discussions from both the initial meeting and the final meeting are documented in section 4 of this report. A summary of the Workgroup voting is set out below with further details in section 7. All Workgroup voting members (5) felt both the original and alternative were better than the CUSC baseline, with 3 to 2 voting that WACM1 (Workgroup Alternative CUSC Modification 1) was better than the original.

### What does Section 5.10 of the CUSC detail?

Section of 5.10.1 of the CUSC sets out that in the event of a **Relevant Interruption** where the **Affected User** has not otherwise received compensation under the **Balancing and Settlement Code** The Company shall be liable to pay the **Affected User** upon request the **Interruption Payment** for the **Interruption Period**.

Further sections of 5.10 detail other obligations for National Grid and a Affected User

## View against Applicable CUSC Objectives

	<b>Better than CUSC baseline</b>	<b>Better than CMP212 Original</b>	<b>Best</b>
<b>CUSC baseline</b>	N/A	0	0
Original	5	N/A	2
WACM1	5	3	3

1.11 The Workgroup debated whether CMP212 would satisfy the Self-governance criteria. The Workgroup's view was that CMP212 met the Self-governance criteria.

1.12 The Workgroup concluded the following:

- A 30 calendar day limit for a claim to be submitted from the date of the incident would be appropriate;
- A 60 calendar day limit for National Grid to confirm the validity or otherwise of a claim and the claim value was appropriate. The group further concluded that the legal text should be amended such that if the 60 day limit could not be met, National Grid would seek to agree with the party as to when the confirmation would be provided;
- The Workgroup, by a majority, felt that the alternative proposal (WACM1) with a nominal de-minimis threshold (which may be amended by the CUSC Panel in the range up to £5,000) was better than the original proposal.

1.13 The Code Administrator Consultation closed on the 20 November 2012, and there were two responses. One response supported the implementation of the CMP212 original proposal whilst the second response supported the alternative WACM1. The responses are shown in Section 9 and Annex 8 of this document with a high level summary of the key areas below:

- Self-governance – One respondent supported self-governance for CMP212 whilst the other, because of the concerns raised by the Panel, did not.
- Panel de-minimis change – Both respondents considered that it was appropriate for the CUSC Panel to amend the de-minimis threshold; however, one respondent considered that this should only happen in exceptional circumstances whilst the other respondent considered that this should only occur if CMP212 was not progressed through the self-governance route.

1.14 This draft Modification Report has been prepared in accordance with the Terms of the CUSC. An electronic copy can be found on the National Grid Website, [www.nationalgrid.com/uk/Electricity/Codes/](http://www.nationalgrid.com/uk/Electricity/Codes/), along with the CUSC Modification Proposal Form.

## National Grid's View

1.15 National Grid believes that the Original proposal best facilitates the Applicable CUSC Objectives as it will increase the clarity of the compensation claims process for the industry. With respect to WACM1, National Grid does not support this alternative as they believe that the flexibility of allowing the Panel to modify the compensation claim thresholds extends the remit of the Panel. Furthermore, National Grid believes that WACM1 should not be considered as Self-governance as it impacts the CUSC Panel's own governance arrangements.

### **Workgroup Conclusion**

1.16 The Workgroup concluded both the original and the alternative better facilitate the Applicable CUSC objectives with the group voting 3 to 2 that CMP212 WACM1 is better than CMP212 original.

### **CUSC Modifications Panel's Initial View**

1.17 At the meeting of the CUSC Modifications Panel on 26 October 2012 the Panel accepted the Workgroup Report and agreed that CMP212 should proceed to the Code Administrator Consultation. However, there were discussions around WACM1 and whether the Panel could expand their existing powers to direct changes to a potential threshold for compensation claims. There were also concerns whether CMP212 would remain as Self-governance as WACM1 potentially expanded the governance arrangements for the CUSC Panel which may lead to a conflict of interest. I.e. the Panel would be voting on a change which directly impacted their own decision making. Therefore, the Panel wished to seek views on this matter within the Code Administrator Consultation. These views are summarised in 1.13.

### **CUSC Modifications Panel's Recommendation**

1.18 **To be completed post-Panel Recommendation Vote**

## 2 Why Change?

- 2.1 The CUSC does not specify any timescales by which Relevant Interruption claims can be submitted; at present, the claims could be submitted for an incident that occurred some time ago. The investigation of such claims may be burdensome because of a lengthy delay between an incident and claim.
- 2.2 The CUSC also does not specify any timescales within which National Grid has to confirm the validity or otherwise of a claim. This could result in a lengthy delay in notification to a party as to the validity, or otherwise, of their claim.
- 2.3 There is no minimum financial threshold value specified for a claim; it is possible that claims could be submitted for relatively low values and the cost of processing by National Grid could exceed the value of the claim.



---

### **What are other key areas of the CUSC relevant to this modification?**

---

In addition to Section 5.10, Section 11 of the CUSC contains details of related definitions including: Affected User, Allowed Interruption, Emergency Deenergisation Instruction, Interruption, Interruption Payment, Interruption Period and Relevant Interruption.

---



- 3.1 CMP212 sought to address the issues raised in Section 2 by specifying, in the CUSC, the following:
- timescales, following an incident, by which users must submit a claim (30 calendar days);
  - timescales by which National Grid must confirm the validity or otherwise of a claim (60 calendar days);
  - a minimum financial threshold value for a claim to be processed (£5,000).
- 3.2 At the final Workgroup meeting SSE raised an alternative to the original proposal. The alternative differs from the original in that it proposes a nominal minimum financial threshold value rather than £5,000. The alternative has sufficient flexibility in the legal text such that the CUSC Panel can amend the threshold value in the range up to £5,000 if required, with the initial threshold value of £1. The timescales for users to submit a claim and National Grid to validate a claim are the same in both the alternative and original.

#### What is a Relevant Interruption and Interruption?

A Relevant Interruption is defined in Section 11 of the CUSC as: an **Interruption** other than an **Allowed Interruption**.

An **Interruption** is defined as:

Where either;-

(i) solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **National Electricity Transmission System**; or

(ii) in accordance with an **Emergency Deenergisation Instruction**;

a) a **BM Unit** comprised in the **User's Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**; or

b) an **Interconnector** of an **Affected User** who is an **Interconnector Owner** is **Deenergised**.; or

c) The **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User's Equipment** is zero.

## 4 Summary of Workgroup Discussions

- 4.1 The Workgroup met on 31 July 2012 and the members accepted the Terms of Reference. A copy of the Terms of Reference is attached in Annex 1 of this document. The Workgroup considered the issues raised by the CUSC Modification Proposal and worked through the Terms of Reference. The final Workgroup meeting was held on 2 October 2012.

### **Presentation of Proposal**

- 4.2 The National Grid Representative presented CMP212 at the Workgroup at the first meeting and gave the background to why it was raised. The presentation included details of previous BSSG discussions around the issue of compensation arrangements for loss of transmission access. The Workgroup discussed the main component of the modification.

### **Timescales for the submission of a Relevant Interruption claim**

- 4.3 CMP212 proposes amending Section 5.10 of the CUSC such that there is a time limit by which users have to submit a claim for a Relevant Interruption. The illustrative value included on the modification proposal was 30 days.
- 4.4 The Workgroup discussed the issue and the initial view was that 30 days seemed reasonable but its appropriateness would be dependent on the level of information a generator would need to supply in support of a Relevant Interruption claim. Currently, when a party wishes to submit a claim, they can do this via email or a letter with no standard criteria over claim submission. As a result, this may lead to a lack of clarity over the level of detail for a claim that each party submits to National Grid in order for their claim to be processed.
- 4.5 In order to address this potential issue, the proposer provided a draft template form for claim submissions which was further developed by the Workgroup. At the final Workgroup meeting the group further developed the template form and also agreed that a guidance note for users detailing what was required through the form would be useful. Annex 2 shows the final template form developed by the Workgroup.
- 4.6 The Workgroup discussed whether the form should be optional for parties submitting a claim but concluded that the template form should be used by all CUSC parties to ensure transparency and consistency. Discussions were also held on who, within National Grid, the point of contact should be for the submission of claims and it was agreed that it should be sent to one centralised National Grid email address rather than to individual Customer Account Managers.
- 4.7 The Workgroup further concluded that the claims form should not be explicitly referenced in the CUSC to avoid the situation where a change to the form would necessitate a CUSC modification. At the final meeting the group concluded that if changes were required to the claims form then these changes should be agreed through the CUSC Panel.
- 4.8 The Workgroup's view was that National Grid should confirm receipt of a claim within 5 days with a claim reference number. The benefit of this would be to provide confirmation to the party that their claim was being processed. At the final Workgroup Meeting, in response to a consultation comments, the group decided 5 Working days for National Grid to confirm receipt would be a more appropriate. References to 'days' in the CUSC text was deemed, by the Workgroup, to refer to calendar days rather than Working days.



- 4.9 At the final Workgroup meeting the group discussed the consultation responses pertaining to timescales to submit a claim and the draft claim form. Some respondents were in favour of additional information being included on the claim form i.e. a tick box to indicate the type of claim, whether the party wanted the claim to remain confidential, the value of the claim and for section c to explain the level of detail required for the claim to be considered without the need for extra information.
- 4.10 The Workgroup debated these points and the view was that the main objective was to keep the claim form as simple and easy to complete as possible and that additional data fields, even if tick boxes, added unnecessary complexity which may be confusing to some parties, particularly new or smaller parties. In addition the Workgroup noted that the form included a free text field (section c) which would allow the party to add any additional information required. The Workgroup also concluded that claims should remain confidential because of the sensitivities around claims that are found to be not valid and if there was a split between confidential and non confidential claims, it may be possible to infer whose claims were confidential by cross referencing the value of the claim and possible outages that had occurred.
- 4.11 The Workgroup decided that a separate claim form should be used for each individual claim, and that this should be specified in a guidance note to complement the claim form and assist parties.
- 4.12 Based on the final claim form, the Workgroup decided that, as the information required to submit a claim was not particularly onerous, a 30 day limit to submit a claim would be appropriate.

#### **Timescales within which National Grid must confirm the validity or otherwise of a claim**

- 4.13 CMP212 proposed amending Section 5.10 of the CUSC such that there is a timescale by which National Grid must validate or reject claims. The illustrative value included in the legal text was 60 calendar days.
- 4.14 The Workgroup discussed the proposal and reviewed the illustrative legal text. The illustrative legal text allowed National Grid to confirm the validity or otherwise of a claim or notify the affected user when National Grid would be able to make such confirmation. The Workgroup acknowledged that some claims may be complex, taking longer than 60 days to resolve and as such recognised the benefits of flexibility in extending any deadline; however, some Workgroup members believed that the legal text should be more tightly defined by requiring National Grid to seek agreement with a user, were it to require an extension.
- 4.15 The Workgroup agreed with the view that any requests for an extension to the timescales beyond 60 days would require agreement between National Grid and the claimant. This is captured within the legal text. The Workgroup also discussed a scenario where National Grid required an extension to a deadline but was not able to reach agreement with the claimant. The group debated whether this should then be referred to a third party e.g. the Authority or CUSC Panel for decision. After further discussion the group decided that the existing CUSC disputes procedure (CUSC Section 7) already provides a means for escalation. It was recognised by the Workgroup that it is in the interest of both parties to ensure a mutually acceptable deadline, before invoking the disputes process.
- 4.16 The Workgroup discussed the process of a claim and considered that the confirmation of the claim value should be communicated to the claimant at

the same time as with the decision on the validity of the claim. It was agreed that it was appropriate to include this within the proposed 60 day limit.



**What would a de-minimus value apply to?**

The Interruption Payment definition in the CUSC specifies the payment for:

- 1) A Planned Outage
- 2) A Relevant Interruption arising as a result of an Emergency Deenergisation
- 3) All other Relevant Interruptions

Any de-minimus limit would apply to items 2 and 3 in the list above

**Minimum financial threshold value specified for a claim**

- 4.17 CMP212 proposed amending Section 5.10 of the CUSC such that there is a minimum financial threshold value for a Relevant Interruption claim. The illustrative value included in the modification proposal was £15,000.
- 4.18 The Workgroup debated a de-minimis level for Relevant Interruption claims; National Grid confirmed that the lowest claim paid out to date has been approximately £8000. The Workgroup considered a de-minimis level of £5000 was more appropriate than £15,000 especially as a BSSG consultation question on this issue asked a question on a £5000 value. Most respondents to the BSSG consultation supported a de-minimis limit, some supported a higher limit than £5,000.
- 4.19 The proposer presented Table 1 below to the Workgroup. This shows the value of a Relevant Interruption claim by settlement period (SP) for different sized MW units. The calculation uses average SBP (System Buy Price) and MP (Market Price) (Jan to Jun 2012 inclusive). SBP is used for the first three settlement periods with MP being used for the remaining periods. Whilst average prices are used in this analysis, it allows indicative assessment of the impact of a de-minimis level. It should be noted that the values are cumulative across the settlement periods.

Table 1

Impacted MW Unit	1 SP	2 SP	3 SP	4 SP	5 SP	6 SP	7 SP	8 SP
100	£2,687	£5,373	£8,060	£9,026	£11,283	£13,539	£15,796	£18,052
200	£5,373	£10,746	£16,119	£18,052	£22,565	£27,078	£31,591	£36,104
300	£8,060	£16,119	£24,179	£27,078	£33,848	£40,617	£47,387	£54,156
400	£10,746	£21,492	£32,238	£36,104	£45,130	£54,156	£63,182	£72,208

- 4.20 The Workgroup felt it was not appropriate for a de-minimis claim value to apply to Planned Outages because a refund of daily TNUoS charges for each day of the planned outage could be below the £5k threshold. A daily TNUoS value of £5k equates to an annual TNUoS value of £1.8million and thus a £5k de-minimis limit, if applied to Planned Outages (assuming the outage was for one day) would equate to a substantial yearly TNUoS value. This would exclude those users from claiming whose TNUoS was less than £1.8million. Additionally, Planned Outages use a different compensation mechanism which is intended to encourage parties to accept an outage at a prescribed time.
- 4.21 Not all members of the Workgroup supported a de-minimis level. One reason for this was the difference in treatment between a Planned Outage (which would not have a de-minimis level) and Relevant Interruptions arising as a result of an Emergency Deenergisation or all other Relevant Interruptions (which would both have a de-minimis level).
- 4.22 The Workgroup discussed the differences between Planned Outages and Unplanned Outages ('A Relevant Interruption arising as a result of an Emergency Deenergisation' and 'All other Relevant Interruptions') and considered that the differences between them were sufficient to justify difference in treatment in respect to a de-minimis level. The Workgroup also debated if no de-minimis level could be set within the scope of the original

proposal which specified that a de-minimis level was required. The Workgroup concluded that it was still possible to remove the de-minimis level from the modification by setting the value at £0, without the need for an alternative.

- 4.23 The Workgroup believed that it would be useful to obtain industry views via the consultation before making a recommendation.
- 4.24 The final Workgroup meeting debated the de-minimis level and the consultation responses around this issue. Because of the potential impact on smaller parties a nominal de-minimis level was discussed together with the legal text having sufficient flexibility for the CUSC Panel to amend the de-minimis level in the future. One Workgroup member proposed an alternative modification which would be the same as the original in all instances but have a nominal de-minimis value. However, the CUSC Panel can amend the threshold value in the range up to £5,000 if required. This would allow the Panel to deal with situations where there were a large number of claims at low amounts such as £20 for example, which could result in a large administrative burden for National Grid. This was unanimously supported by the Workgroup.

### **Consider the reporting mechanism for claims**

- 4.25 The Terms of Reference for the Working Group included the consideration of a reporting mechanism for claims.
- 4.26 The Workgroup discussed the scope and frequency of any reporting mechanism. The group agreed that an initial report 12 months after the implementation of any modification would be appropriate, although some members preferred reports at a greater frequency. The group considered that it would be appropriate for the CUSC Panel to vary the frequency of any future reporting requirement, following the initial annual report, as required.
- 4.27 The group discussed the composition of any report and considered that the report should include the number of claims submitted, number of claims paid / rejected / being processed as well as details of individual claims, listed by a unique reference number. The detail of individual claims to include the materiality of a claim (to nearest £10,000) and if the timescales involved exceeded those specified as part of this modification.
- 4.28 The legal text for the CUSC to incorporate any reporting mechanism was discussed by the group; the Workgroup recognised the benefits in not being too prescriptive in the legal text, in order to allow flexibility in the information to be reported. Some members of the Workgroup did not feel that any reporting mechanism needed to be specified in the CUSC as the CUSC Panel has the ability to request updates on Relevant Interruption claims as required (as it has done in the past). However, other members felt that formal governance around reporting would ensure transparency.
- 4.29 At the final Workgroup meeting, further changes were made to the structure of the claims report and the group concluded that a value to the nearest £5,000 would be more appropriate. The report may also, depending on the volume of claims, include a chart to display a breakdown of the different reasons for invalid claims.
- 4.30 The final claims report, developed by the Workgroup is shown in Annex 3.

## Self governance

4.31 The Workgroup debated whether CMP212 could still be considered as Self governance, as setting a de-minimis level for claims could be viewed as having a material effect on parties, as highlighted by some of the consultation responses. The majority of the Workgroup believed that whilst the threshold could be seen as material, the overall intent of CMP212 was to provide clarity to the existing process rather than changing the claim values, therefore it should continue to be progressed as Self governance. 1 Workgroup member believed that it should only be progressed as Self governance if the de-minimis threshold was removed.

## Implementation timing issues

4.32 CMP212 introduces a new methodology; which will replace the existing methodology if the modification is approved. The group discussed the issue of when any outstanding claims have to be submitted to National Grid. The Workgroup's view was that any outstanding claims that parties may have should be submitted within 30 days of the implementation date of the modification i.e. if the modification was effective from the 30 January 2013, parties would have 30 calendar days to submit any claims (1 March 2013) and that the legal text should reflect this.

## 5 Summary of Workgroup Responses

There were 7 responses received to the Workgroup consultation:

DONG Energy  
Eggborough Power Limited (EPL)  
ScottishPower Renewables  
E.ON UK Plc.  
EDF Energy  
SSE  
Centrica

The response from each party is attached in Annex 7. The two tables below are provided for convenience. Table 2 shows (for those questions where a yes/no response was possible) the breakdown in response from respondents. Table 3 is a condensed version of each respondents response across all the questions asked (4 general questions and 11 specific questions).

Table 2

Question	Yes	No	Neutral / Other
Do you believe that CMP212 better facilitates the Applicable CUSC Objectives?	5	0	2 parties feel that it better facilitates applicable objectives but only in certain aspects
Do you support the proposed implementation	6	0	1 party supports the modification with a few

approach?			refinements to the process and legal text
Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?	0	7	0
Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?	7	0	0
Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?	5	0	2 parties support but qualifying comments around extenuating circumstances or if the incident occurred over holiday period
Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?	6	1	0
Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?	4	2	1 party support with qualifying comments
Should any de-minimis claim differentiate between Planned and Unplanned Outages?	4	2	1 party no view
Is £5,000 an appropriate level for a de-minimis claim level??	4	2	1 party support with qualifying comments
Do you think that a reporting mechanism for compensation	7	0	0

claims is appropriate?			
Do you agree with the Workgroup that this modification should be progressed as self-governance?	5	0	1 party support self governance if no de-minimis level

Table 3

Condensed consultation responses by respondent	
DONG Energy	<p>DONG supports the proposals, (apart from a de-minimis level of compensation, which they believe should be zero).</p> <p>The proposals better facilitates the applicable CUSC objectives, (apart from the de minimis level). The proposed claim form is appropriate.</p>
Eggborough Power Limited (EPL)	<p>Eggborough Power supports the modification, (apart from the de-minimus threshold). Eggborough believes that the modification better fulfils the Applicable CUSC Objectives, notably (b).</p> <p>The proposed claim form is appropriate as it would create some degree of standardisation. For a 30 claim submission limit, this is reasonable although there is some concern with the limit in that if an incident occurs over a holiday season there may be good reasons that a party cannot get all the necessary information together to substantiate its claim.</p> <p>Eggbrough's view is that it should only be self-governance if there is no claims threshold. If there is a threshold this becomes a material change to parties and therefore beyond the scope of self-governance.</p>
ScottishPower Renewables	<p>ScottishPower's view is that CMP212 better facilitates the applicable CUSC objectives in some respects but that setting a time limit and a de minimus level may disadvantage certain types of user (mainly smaller independent users) and so it is questionable if this facilitates competition more effectively.</p> <p>SPR believe that NGET should be proactive in informing affected users of their potential right to claim compensation.</p> <p>They support a claim form but the format of the claim form should be kept under review in light of experience gained from its use.</p>
E.ON UK Plc.	<p>E.ON's view is that CMP212 better facilitates some applicable CUSC objectives.</p> <p>E.ON supports a claim form and believes it should be kept as simple as possible, and is supportive of a 30 and 60 day limits as well as a de-minimis limit.</p>
EDF Energy	<p>EDF's view is that CMP212 better facilitates some applicable CUSC objectives.</p> <p>EDF believe a section missing from the process is where the affected party rejects NG's payment calculation. It is not clear what the process is under this proposal. They also believe more detail should be</p>

	<p>added to the claim form.</p> <p>EDF believe it would also be useful to have a box to tick indicating what type of Relevant Interruption it was and if whether it is necessary for parties to have a choice to declare full details of the claim or maintain them confidential.</p> <p>EDF supports a claim form, and is supportive of a 30 and 60 day limits as well as a de-minimis limit</p>
SSE	<p>At this stage SSE are minded to believe that CMP212 does better facilitate some Applicable CUSC Objectives.</p> <p>SSE supports a claim form, and believe a single claim should be detailed on a single form SSE also support a 30 and 60 day limit as well as a de-minimis level and reporting mechanism.</p>
Centrica	<p>Centrica is supportive of the modification in principle, have some comments on the detail.</p> <p>Centrica believe that CMP212 does better facilitate some Applicable CUSC Objectives</p> <p>Centrica support a claim form, although believe some additional sections are required. They support a 30 and 60 day limit and de-minimis level but believe the 30 and 60 days needs clarification on if it is working or calendar days. They support the report but believe some additions are needed.</p>



## 6 Impacts

### Impact on the CUSC

- 6.1 CPM212 requires amendments to the following parts of the CUSC:
  - Section 5.10 of the CUSC
  - Section 11 of the CUSC
- 6.2 The final legal text is attached as Annex 1 to this document. The legal text will be consulted as part of the Code Administrator Consultation. The legal text for both the original and WACM1 is shown in Annex 1.

### Impact on Greenhouse Gas Emissions

- 6.3 Neither the proposer nor the Workgroup identified any material impact on Greenhouse Gas emissions.

### Impact on Core Industry Documents

- 6.4 Neither the proposer nor the Workgroup identified any impacts on Core Industry Documents.

### Impact on other Industry Documents

- 6.5 Neither the proposer nor the Workgroup identified any impacts on other Industry Documents.

## 7 Proposed Implementation

- 7.1 The Workgroup propose that once the Panel has made their determination, CMP212 should be implemented 10 Working Days after the Self-governance window has closed, in accordance with 8.22.10 (b) of the CUSC. Respondents to the Workgroup consultation supported this view.
- 7.2 One respondent to the Code Administrator Consultation supported implementation 10 days after the Authority have made their decision (if CMP212 was not progressed as self governance).

## 8 The Case for Change

### Assessment against Applicable CUSC Objectives

- 8.1 At the final Workgroup meeting the group discussed whether CMP212 original or alternative better facilitates the Applicable CUSC Objectives. The outcome from the voting is shown below in the table.
- 8.2 For reference the CUSC Objectives are:
- (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this 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.
  - (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

### Vote 1: Whether each proposal better facilitates the Applicable CUSC Objectives (than the CUSC baseline)

#### a) CMP212 Original Proposal

	<b>(a) the efficient discharge by the licensee....</b>	<b>(b) facilitating effective competition in the generation....</b>	<b>(c) compliance with the Electricity Regulation....</b>
Tariq Hakeem	The original is an improvement in the process and introduces clarity over timescales.	A more robust process results in a more level playing field, with greater transparency and understanding of how claims are treated.	Neutral.
Garth Graham	As above.	Facilitates competition as parties who are out of pocket can make a claim in a robust and fair manner.	Neutral.
Ebba John	Same as above and agree process is better	Better for new entrants, make it easier.	Neutral.

	defined.		
Raoul Thulin	As above.	Introduces simple understandable claims process making it easier for parties.	Neutral.
Leonida Bandura	Improves efficiency of process.	Reporting process improves transparency.	Neutral.

## b) CMP212 WACM1

	<b>(a) the efficient discharge by the licensee....</b>	<b>(b) facilitating effective competition in the generation....</b>	<b>(c) compliance with the Electricity Regulation....</b>
Tariq Hakeem	The alternative is an improvement in the process and introduces clarity over timescales.	A more robust process results in a more level playing field, with greater transparency and understanding of how claims are treated.	Neutral.
Garth Graham	As above.	Facilitates competition as parties who are out of pocket can make a claim in a robust and fair manner.	Neutral.
Ebba John	Same as above and agree process is better defined.	Better for new entrants, make it easier.	Neutral.
Raoul Thulin	As above.	Introduces simple understandable claims process making it easier for parties.	Neutral.
Leonida Bandura	Improves efficiency of process.	Reporting process improves transparency.	Neutral.

## Vote 2: Whether each WACM1 better facilitates the Applicable CUSC Objectives than CMP212 original

	<b>(a) the efficient discharge by the licensee....</b>	<b>(b) facilitating effective competition in the generation....</b>	<b>(c) compliance with the Electricity Regulation....</b>
Tariq Hakeem	Original better as process efficiency stops smaller claims.	Neutral.	Neutral.
Garth Graham	Agree original better than alternative under objective a).	Alternative is better is it facilitates competition under b) and it allows the Panel to take into account smaller parties.	Neutral.

Ebba John	Neutral on Objective a)	Alternative is better on b) as its better for small players.	Neutral.
Raoul Thulin	Neutral on Objective a)	Alternative is better on b).	Neutral.
Leonida Bandura	Original is better on objective a)	Alternative is better on b)	Neutral.

**Vote 3: Which option best facilitates achievement of the ACOs?**

Name	Preference
Tariq Hakeem	Original
Garth Graham	WACM1
Ebba John	WACM1
Raoul Thulin	WACM1
Leonida Bandura	Original

- 8.3 In summary, all of the Workgroup members concluded that the original proposal and the alternative were better than the CUSC baseline. The Workgroup concluded with a vote of 3 to 2 that WACM1 was better than CMP212 Original.
- 8.4 The Workgroup believes that the Terms of Reference have been fulfilled and that CMP212 has been fully considered.

**National Grid’s View**

8.5 National Grid believes that the Original proposal best facilitates the Applicable CUSC Objectives as it will increase the clarity of the compensation claims process for the industry. With respect to WACM1, National Grid does not support this alternative as they believe that the flexibility of allowing the Panel to modify the compensation claim thresholds extends the remit of the Panel. Furthermore, National Grid believes that WACM1 should not be considered as Self-governance as it impacts the CUSC Panel’s own governance arrangements.

**CUSC Modifications Panel Recommendation**

8.6 **To be completed after the Panel Recommendation Vote**

## 9 Code Administrator Consultation Responses

There were 2 responses received to the Code Administrator Consultation:

E.ON UK Plc.  
EDF Energy

The response from each party is attached in Annex 8 of this report and also shown below.

Company Name:	EDF Energy	E.ON UK Plc.
<b>Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning.</b>	We believe the alternative WACM1 would better facilitate the relevant CUSC objectives compared to the original by allowing the panel discretion whether to accept a claim under the £5000 threshold	Under the proposed original the first objective would be better met by aiding the licensee in more efficiently discharging its obligations, by introducing fixed timescales for response. A de minimis limit of £5000 is appropriate to avoid large numbers of small claims resulting in administrative burden for National Grid. A clear reporting mechanism would help to better promote competition by increasing transparency, particularly in relation to the materiality of any claims made.
<b>Do you believe that CMP212 should be progressed as Self-governance given the impacts identified by the CUSC Panel under WACM1?</b>	Yes	Given the concerns raised by the Panel about WACM1 we do believe CMP212 should be progressed as self-governance.
<b>Do you believe it is appropriate for the CUSC Panel to be able to amend the claims threshold under WACM1?</b>	Yes, in exceptional circumstances. This will allow smaller claims from potentially smaller generators to be entertained. Consideration should be given to the minimum disputes threshold in the BSC which is set at £3000.	It would be appropriate for the Panel to be able to amend the claims threshold under WACM1 if CMP212 was not progressed as a self-governance modification.
<b>Do you support the proposed implementation approach? If not, please state why and provide</b>	Yes, we support the implementation timescale proposed and the fact that a claim could be submitted within 30 days from the date of	If CMP212 is not progressed as Self-Governance, it should be implemented 10 days after the Authority have made their decision.

<b>an alternative suggestion where possible.</b>	implementation.	
<b>Do you have any other comments?</b>	No	No

Legal text for original modification

**5.10 RELEVANT INTERRUPTIONS**

5.10.1 In the event of a **Relevant Interruption**, unless 5.10.7 applies, where the **Affected User** has not otherwise received compensation under the **Balancing and Settlement Code**, **The Company** shall be liable to pay the **Affected User** upon request the **Interruption Payment** for the **Interruption Period**.

5.10.2 The **Interruption Payment** shall be paid by **The Company** to the **Affected User** within 28 days of the date of agreement as to the amount of the **Interruption Payment**.

5.10.3 The **Affected User** will take all reasonable steps to minimise the effect (and therefore the amount of the **Interruption Payment** sought as a consequence) of the **Relevant Interruption** on the operation of its business.

5.10.4 Subject to 5.10.10, the **Affected User** must request an **Interruption Payment** for a **Relevant Interruption** within 30 days of the end of the **Relevant Interruption** by submitting to **The Company** a completed **Loss of Transmission Access Compensation Claim Form**. No **Interruption Payment** will be payable by **The Company** if the **Interruption Payment** request falls outside this period.

5.10.4.5 **The Company** shall as soon as reasonably practicable after the end of the **Interruption Period** notify the **Affected User** where the **Relevant Interruption** was in accordance with **Emergency Deenergisation Instruction**.

5.10.6 **The Company** shall confirm to the **Affected User** whether or not an **Interruption** is a **Relevant Interruption** and confirm the **Interruption Payment** value within 60 days of that **Affected User** requesting an **Interruption Payment**, or use reasonable endeavours to agree with the **Affected User** when it shall provide such confirmation.

5.10.7 No **Interruption Payment** will be payable by **The Company** if the total agreed value of a claim under this Section 5.10 is less than £5,000 unless the **Interruption Payment** is for a **Relevant Interruption** arising as result of a **Planned Outage**

5.10.8 If an **Affected User** and **The Company** cannot reach agreement under Section 5.10.2 or 5.10.6 the **Dispute Resolution Procedure** shall apply.

5.10.9 **The Company** shall report to the **CUSC Modification Panel** in respect of the claims processed under this Section 5.10, such report to detail the number of claims received, under investigation, validated or rejected in the reporting period.

The frequency of the reporting will be decided by the **CUSC Modification Panel** and may be varied from time to time.

5.10.10 In respect of any **Relevant Interruptions** occurring before the date and time of implementation of **CUSC Modification Proposal** CMP 212, the **Affected User** must request an **Interruption Payment** for a **Relevant Interruption** within 30 days of the date and time of implementation of **CUSC Modification Proposal** CMP 212.

### **Section 11 – A new definition: Loss of Transmission Access Compensation Claim Form**

#### **Loss of Transmission Access Compensation Claim Form**

A form amended from time to time by agreement between the **CUSC Modification Panel** and **The Company**, to be completed by a claimant for submission of Relevant Interruption claims and available on a website maintained by **The Company**.

#### **Legal text for WACM1**

As the original modification, save that 5.10.7 shall be as follows:

5.10.7.1 No **Interruption Payment** will be payable by **The Company** if the total agreed value of a claim under this Section 5.10 is less than the **Interruption Payment Threshold** unless the **Interruption Payment** is for a **Relevant Interruption** arising as result of a **Planned Outage**.

5.10.7.2 The “**Interruption Payment Threshold**” shall be £1, or such amount up to a maximum of £5,000 as may be determined by the **CUSC Modification Panel** from time to time. In the event of the **CUSC Modification Panel** varying the **Interruption Payment Threshold** such revised threshold shall apply from 30 days after such variation being notified to all **Users**.



## Annex 2 – Sample - Loss of Transmission Access Compensation Claim Form

Please use this form to submit a claim for a Relevant Interruption. Section 5.10 of the Connection and Use of System Code (CUSC) sets out details of the claims process.

**Please note that this form needs to be submitted within 30 (calendar) days from the end of the incident. Failure to do so will result in your claim being rejected. Please use a separate claims form for each incident.**

Further information relevant to claims is contained within Section 11 of the CUSC. The latest version of the CUSC can be found on National Grid's [website](#).

Once the form is complete please email it to [transmissionconnections@nationalgrid.com](mailto:transmissionconnections@nationalgrid.com) , copying your Customer Account Manager (if known) with the title of the email to read '**Relevant Interruption Claim**'. A reference number will be supplied to you within 5 working days of submission of the form

### **SECTION A. DETAILS OF OUTAGE**

1. **Submission date of claim** dd/mm/yy

*(This should be the date of the form being sent rather than the date of the incident)*

2. **Power Station**

Name:.....

BMU ID(s) Impacted	TOGA* number (if known)	Incident Start Date	Incident start time	Incident End Date	Incident end time

\* A TOGA (Transmission Outage and Generator Availability) reference will only be in relation to Planned Outages.

Was this a planned outage on the Transmission System?

Yes No Not sure (*delete as appropriate*)

If yes name of National Grid planning contact: .....

**SECTION B. CONTACT DETAILS OF PARTY SUBMITTING CLAIM**

3. **Contact Details**

Name:.....

Company:.....

Email:.....

Telephone:.....

Fax:.....

**SECTION C. INCIDENT DETAILS**

4. **Details of Incident** [*Optional*]

[*e.g. Fire at a transmission substation led to outage*]

## Annex 3 – Sample claim reporting template

### 1.1 Purpose of Relevant Interruption Claims Report

The purpose of the Relevant Interruption Claims Report is to provide information in respect of the Relevant Interruptions received during the reporting period. This report covers the reporting period 01/11/2012 to 01/11/2013.

### 1.2 Summary

During the reporting period there were a total of six claims received. Table 1 below shows more detail of the claim status.

Table 1

Claims being processed	Claims Pending Payment	Claims Paid	Claims Rejected	Total Claims Received
1	1	3	1	6

### 1.3 Additional Detail

Table 2 shows details of individual claims

Table 2

Claim Reference	Status	Days between claim submission and status decision	Extension to CUSC Section 5.10.6 agreed	Paid Value £k (nearest 5k)
TBC- 1	Rejected	15	n/a	n/a
TBC- 2	Valid	45	n/a	£75k
TBC- 3	Valid	35	n/a	£115k
TBC- 4	Valid	90	Yes	£250k
TBC- 5	Valid	20	n/a	Not yet paid
TBC- 6	Pending decision	70	Yes	n/a

### 1.4 Graphical Summary

This section, depending on the volume of claims, may include additional detail including pictorial representation (pie chart or other) of the processed claims (e.g. reasons for rejection). Inclusion of this information would depend on the number of claims; the CUSC Panel could request this information if it deemed it necessary from information in Table 1.

### Workgroup Terms of Reference and Membership TERMS OF REFERENCE FOR CMP212 WORKGROUP

#### Responsibilities

The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal CMP212 "Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions", tabled by National Grid at the CUSC Modifications Panel meeting on 29 June 2012.

The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:

- (a) the efficient discharge by the Licensee 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.
- (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

#### Scope of work

The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.

In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:

- a) Consider the reporting mechanism for claims
- b) Develop a template form for submitting a claim
- c) Review the illustrative legal text

The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.

The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.

Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.

All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.

There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of 4 weeks as determined by the Modifications Panel.

Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

The Workgroup is to submit its final report to the Modifications Panel Secretary on 18 October 2012 for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on 26 October 2012.

## Membership

The Workgroup has the following members:

Role	Name	Representing
Chairman	Shafqat Ali	Code Administrator
National Grid Representative*	Tariq Hakeem	National Grid
Industry Representatives*	Garth Graham	SSE
	Leonida Bandura	EON
	Raoul Thulin	RWE
	Allan Kelly	SP Renewables
	Ebba John	DONG Energy
	John Costa	EDF Energy
Authority Representatives	Vanja Munerati Sheona Mackenzie	Ofgem
Technical secretary	Steve Lam	Code Administrator
Observer	Tim Truscott	National Grid

**NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.**

The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP212 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.

A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise. There may be up to three rounds of voting, as follows:

- Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
- Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
- Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.

Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.

The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.

The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

## Appendix: Indicative Workgroup Timetable

The following timetable is indicative for the CMP212 Workgroup.

w/c 2 July	Send out request for WG nominations
w/c 23 July	First Workgroup meeting
8 August	Issue draft Workgroup Consultation for Workgroup comment (5 working days)
15 August	Deadline for comments on draft Workgroup Consultation
17 August	Publish Workgroup consultation (for 4 weeks)
14 September	Deadline for responses to Workgroup consultation
w/c 24 September	Post-consultation Workgroup meeting
4 October	Circulate draft Workgroup Report
11 October	Deadline for comment on Workgroup report
18 October	Submit final Workgroup report to Panel Secretary
26 October	Present Workgroup report to CUSC Modifications Panel

CUSC Modification Proposal Form	CMP212
<p>Title of the CUSC Modification Proposal: <i>(mandatory by Proposer)</i></p> <p>Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions</p>	
<p>Submission Date <i>(mandatory by Proposer)</i></p> <p>21 June 2012</p>	
<p>Description of the CUSC Modification Proposal <i>(mandatory by Proposer)</i></p> <p>Section 5.10 of the CUSC sets out the CUSC provisions in relation to a Relevant Interruption. A Relevant Interruption is defined in Section 11 as an “Interruption other than an Allowed Interruption”.</p> <p>Section 5.10 does not specify any time limits on Users to raise or for National Grid to investigate a Relevant Interruption claim. Section 5.10 also does not specify any minimum financial value for a Relevant Interruption claim.</p> <p>It is proposed to amend the CUSC provisions such that section 5.10 specifies the time frame by which (following a Relevant Interruption) a User has to raise a claim and the time frame by which (following a Relevant Interruption claim) National Grid has to confirm the validity or otherwise of a claim. The actual time frames which may be applicable to these two situations are not detailed as part of this modification proposal and would be subject to discussion/agreement with the industry.</p> <p>It is also proposed as part of this modification proposal that section 5.10 specifies a minimum financial value for a Relevant Interruption claim. If a claim was submitted whose financial value was less than the minimum threshold value, the claim would not be progressed. The actual minimum value which would be applicable is not detailed as part of this modification proposal and would be subject to discussion/agreement with the industry.</p> <p>Note: National Grid is raising this modification on behalf of the BSSG. The BSSG’s position paper is attached for background information.</p>	
<p>Description of Issue or Defect that CUSC Modification Proposal seeks to Address: <i>(mandatory by Proposer)</i></p> <p>The CUSC does not specify any timescales by which Relevant Interruption claims can be submitted,</p>	



in theory claims could be submitted for an incident that occurred some time ago. The investigation of such a claim may be more burdensome because of a lengthy delay between the incident and claim. To improve the robustness of the administrative process of Relevant Interruption claims, it is proposed to introduce time frames by which a User (following an Interruption) has to raise a claim. It is also proposed to introduce a minimum financial threshold value which would apply to a Relevant Interruption claim.

The CUSC does not specify any timescales within which National Grid has to confirm the validity or otherwise of a claim. As this modification proposes timescales within which Users have to submit a claim, the administrative process of Relevant Interruption claims would be equitable if timescales for National Grid to confirm the validity or otherwise of claims were also specified.

The introduction of a minimum claim value would increase the efficiency and streamline the investigation process.

For the avoidance of doubt, this modification does not propose to change Section 5.10.2. This section specifies that National Grid will make a payment within 28 days from the date of agreement as to the amount of an Interruption Payment.

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

Section 5.10, Relevant Interruptions, will need to be amended.

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No *(mandatory by Proposer. Assessed in accordance with Authority Guidance – see guidance notes for website link)*

NO

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information *(this should be given where possible)*

BSC

Grid Code

STC

Other

*(please specify)*

Urgency Recommended: Yes / No *(optional by Proposer)*

NO

Justification for Urgency Recommendation *(mandatory by Proposer if recommending progression as an Urgent Modification Proposal)*

Self-Governance Recommended: Yes / No *(mandatory by Proposer)*

NO

Justification for Self-Governance Recommendation *(Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)*

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? *(Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)*

Yes

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

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

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives: *(mandatory by proposer)*

Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

The efficiency of the Relevant Interruption claims process would be further increased by claims being subject to a minimum financial threshold value, and thus better facilitate applicable objective (a).

(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.

The modification will better facilitate applicable objective (b), as introduction of timescales on Users to raise and for National Grid to investigate claims will increase the robustness and efficiency of the Relevant Claims process.

(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Neutral

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission plc
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Tariq Hakeem National Grid 01926 655 439 tariq.hakeem@nationalgrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Shafqat Ali National Grid 01926 655 980 shafqat.ali@nationalgrid.com
Attachments (Yes/No):Yes If Yes, Title and No. of pages of each Attachment:	
<ol style="list-style-type: none"> <li>1) Indicative Legal Text</li> <li>2) BSSG Position paper</li> <li>3) BSSG Position paper annex</li> </ol>	

## Annex 6 - Workgroup Attendance Register

Name	Organisation	Role	31/07/12 Attended?	02/10/12
Shafqat Ali	National Grid	Chairman	Yes	Yes
Tariq Hakeem	National Grid	Proposer	Yes	Yes
Steve Lam	National Grid	Code Administrator	Yes	Yes
Tim Truscott	National Grid	Observer	Yes	No
Garth Graham	SSE	Workgroup Member	Yes	Yes
Leonida Bandura	EON	Workgroup Member	Yes	Yes
Raoul Thulin	RWE	Workgroup Member	Yes	Yes
Allan Kelly	SP Renewables	Workgroup Member	Yes	No
Ebba John	DONG Energy	Workgroup Member	Yes	Yes
John Costa	EDF Energy	Workgroup Member	No	No
Sheona Mackenzie	Ofgem	Authority Representative	Via teleconference	No
Vanja Munerati	Ofgem	Authority Representative	No	Yes

## Annex 7 - Workgroup Consultation Responses

See below

**CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Garth Graham (garth.graham@sse.com)</i>
<b>Company Name:</b>	<i>SSE</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale.  (Please include any issues, suggestions or queries)</b>	We express our views regarding the Workgroup Consultation via our comments below.
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	<p><i>For reference, the Applicable CUSC Objectives are:</i></p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i></p> <p><i>(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,</i></p> <p><i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>We note that the Workgroup has not discussed whether CMP212 does better facilitate the Applicable CUSC Objectives. At this stage we are minded to believe that CMP212 does better facilitate the Applicable CUSC Objectives, and in particular (a) and (b) ( we consider it to be neutral to (c)) as it should allow the</p>

	Company to more efficiently discharge its obligations (under the baseline CUSC) for handling claims and this will also help facilitate efficient competition in the generation of electricity as claims (from generators) will be handled more efficiently.
--	---

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</b>	We note the implementation approach as set out in Section 6. We support the proposed implementation approach.
<b>Do you have any other comments?</b>	No.
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	No.

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>1</b>	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	Yes. The use of a standard claims form will ensure that all claims contain all the information necessary for National Grid to assess each claim.
<b>2</b>	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	For the avoidance of doubt, the claims table in section 2 should make it clear that each incident (of loss of access) is; and will be handled as; a separate claim. Thus, for example, the multiple loss of access over a 24 hour period could entail the equivalent number of claims as parties seek to ensure that the claim takes account of the first three settlement period (in particular).
<b>3</b>	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	Yes. 30 days is sufficient time to submit the claims form, as it's currently drafted.

Q	Question	Response
4	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	<p>Yes. 60 days is sufficient time for National Grid (as SO) to validate a claim. We note that there has been a suggestion that it might take longer to obtain data (to validate a claim) from either the Scottish TOs or OFTOs (as appropriate).</p> <p>We observe, firstly, that we contract with the SO (not the TOs / OFTOs) in terms of paying TNUOS. The SO has the means, via the STC, to initiate a change to achieve what it needs from the TOs or OFTOs in order to validate any claims.</p> <p>Secondly, some of our existing CAP48 claims are still outstanding for over five years from the incident occurring, even though the power station is located in E&amp;W, where we would expect that National Grid (as SO) would not have any particular difficulties sourcing the information they need to assess / progress our claim from National Grid (TO).</p>
5	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	<p>Yes. Setting a de-minimis level is appropriate in order to avoid frivolous or vexatious claims.</p>
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	<p>For the reasons noted in paragraph 4.18 there is a case for there being no de-minimis level for Planned Outage. We note that as these are 'planned' the paperwork etc., should be easily sourced, making the handling of the claim (by National Grid) straightforward, which means that the cost of handling such claims should be substantially less than, say, those for unplanned outage claims.</p>
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	<p>Yes. As noted under Q5 above, setting a de-minimis level is appropriate in order to avoid frivolous or vexatious claims. However, setting the limit above £5k (such as £10k or £15k) will, in particular, discriminate against small parties; noting that in the north of Scotland that a generator is considered to be 'large' at just 10MW.</p> <p>Therefore we conclude that £5k is appropriate; because if a higher limit figure were to be used then this would, in our view, disproportionately impact on (i) smaller generators and (ii) those generators in the north of Scotland.</p>



Q	Question	Response
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	<p>Yes. We note that some of our existing CAP48 claims are still outstanding for over five years from the incident occurring (in E&amp;W, where we would expect that National Grid would not have any particular difficulties sourcing the information they need to assess / progress our claim).</p> <p>If there had been a reporting mechanism (along the lines suggested in CMP212) then the excess time taken to handle our claim would have clearly been highlighted via the 'days between claim submission and status decision' column of the sample report in Annex 3.</p> <p>Given this we believe there is a strong case for ensuring that the reports are not delayed (by a year) in the first instance as we feel this could result in these matters being 'swept under the carpet'. Therefore we believe there is a case for reporting quarterly on all outstanding claims made prior to CMP212 being implemented. We would also like to see National Grid agreeing to publish the information shown in Table 1 and Table 2 for all claims received since CAP48 was implemented.</p>
9	<b>Do you have any comments on the sample report in Annex 3?</b>	<p>In light of our comments above (with respect to the de-minimis level being set at £5k) we believe that the 'Paid Value' in the far right column of Table 2 should be set to the nearest £5k rather than £10k.</p>
10	<b>Do you have any comments on the legal text?</b>	<p>In terms of 5.10.4 should 'Loss of Transmission Access Claim Form' be 'Loss of Transmission Access Compensation Claim Form' as this is defined (and 'Loss of Transmission Access Claim Form' is not) ?</p> <p>We note the double full stop in 5.10.4 after 'Loss of Transmission Access Claim Form'.</p> <p>In terms of the definition of 'Loss of Transmission Access Compensation Claim Form' should 'Relevant Interruption' (as a defined term) be in bold?</p>
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	<p>We note the comments in paragraph 1.7 which is a summary of the Workgroup deliberations; however we could not see the detail of those deliberations in the body of the document.</p>

### CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>John Costa</i> <i>Tel: 020 3126 2324</i>
<b>Company Name:</b>	<i>EDF Energy</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)</b>	<p>Energy EDF Energy has been involved in this workgroup and the BSSG (Balancing Services Standing Group) work that led to this modification being raised. We agree with the proposal to introduce a compensation claim process for Relevant Interruptions. We note that the CUSC does not stipulate any specific timescales by which Relevant Interruption claims can be submitted, nor the timescales within which NG has to confirm the validity or otherwise of a claim. There is therefore clearly a need to formalise the process which should in-turn improve and standardise the disconnection claims process both for NG and affected parties.</p> <p>We have added some suggestions in our response that would improve this process, such as reviewing NG's validation criteria and whether an appeals process is necessary, and welcome their discussion at the next workgroup meeting on the 2<sup>nd</sup> October 2012.</p> <p>We also agree that the proposal should progress under the self-governance route as it meets the relevant criteria for this.</p>
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your</b>	<p>We believe that by formalising and standardising the Disconnection claims process this modification would meet both NG's relevant objectives a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and (b) facilitating effective competition in the</p>

<b>reasoning.</b>	generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
-------------------	---

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</b>	Yes. We agree that once the Panel has made their determination, CMP212 should be implemented 10 Working Days after the Self-governance window has closed.
<b>Do you have any other comments?</b>	We note this modification does not change the section of the CuSC (5.10.2) which states that NG will make payment within 28 days from the date of agreement concerning the amount to be paid. However we believe a section missing from this process and consultation is where the affected party rejects NG's payment calculation. It is not clear what the process is under this proposal and needs to be factored into the process as it is a likely possibility.  We also believe more detail should be added to the claim form and have provided more detail below.
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	No.

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
1	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	Yes. Having a standard claim form to complete will formalise the disconnection compensation arrangements and facilitate the processing of claims, both by NG and the party affected. It will also standardise the process and make the arrangements more equitable for all CUSC parties.

Q	Question	Response
2	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	We believe it would also be useful to have a box to tick indicating what type of Relevant Interruption it was – e.g. whether an Emergency Instruction (EI), Emergency Deenergisation (EDI) or planned/ unplanned outage. This will also make it easier to form reports and statistics on this matter. The only other issue is whether it is necessary for parties to have a choice to declare full details of the claim or maintain them confidential. This could be a question for the workgroup to decide when it meets again on the 2 <sup>nd</sup> of October.
3	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	Yes. We believe there should be a limit for raising a claim and that 30 days represents an appropriate time limit. A period smaller than 30 days may compromise some of the more complex claims however clarification is needed as to whether it is 30 business or calendar days. We believe it should be calendar days to expedite the process.
4	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	We believe that 60 days could represent a suitable maximum time period for concluding a relevant claim and payment. However there should be a period in between in which NG has to determine whether the claim is a Relevant Claim or not. This is an important step in the process and will help both NG and the claiming party understand its position at the earliest stage possible. It would not be acceptable to allow 60 days to lapse just to be told the claim was not valid. We believe a suitable maximum period for this phase in the process should be no more than 30 days but this can be discussed at the next workgroup. We also question whether an Appeals process is necessary should there be disagreement between the affected party and NG as discussed through the BSSG discussions.
5	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	Yes. In the interest of efficiency it is important to stipulate a realistic threshold where it is economic for NG and affected parties to claim for a Relevant Interruption. This amount should not be prohibitive and it should also be assessed against the minimum threshold for raising Trading Disputes to ensure there is no conflict.
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	Yes. The de-minimis claim value under a planned outage is likely to be lower than £5k, being based only on a refund of TNUoS charges. A difference in treatment is therefore justified as they are sufficiently different.

Q	Question	Response
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	Yes. As stated above we believe the minimum threshold for a claim should not be prohibitive and should reflect a level which is economic to raise and review a claim, both by NG and the affected party. We welcome NG's impact analysis for different generator sizes and whilst it appears the amount a 100MW unit could receive would be circa £9k (based on Jan.12 to June.2012 prices) we believe £5k is still an appropriate figure noting that the minimum Trading Dispute threshold under the BSC is £3k. We therefore believe the £15k in the modification proposals is inappropriate. We note that the legal text presented with this consultation states £5k.
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	Yes. A report detailing the number of claims submitted, number of claims paid/ rejected/ being processed listed by a unique reference number would be useful. The frequency of such a report could be on a yearly basis however we believe it would also be useful to have this information published on an historical basis to provide a complete picture.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	It would also be useful to have two extra columns/ bits of detail: one with the "Type of claim" and whether for example it was an EI, EDI or Unplanned/ planned action and another "NG Instruction Received?". This would help provide more information to NG and help narrow the claim down for both NG and the affected party.
10	<b>Do you have any comments on the legal text?</b>	No
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	Yes

**CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)  
Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Leonida Bandura</i> <a href="mailto:Leonida.Bandura@eon-uk.com">Leonida.Bandura@eon-uk.com</a>
<b>Company Name:</b>	<i>E.ON UK Plc.</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale.  (Please include any issues, suggestions or queries)</b>	We have no other comments, other than those provided below.
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	The first objective would be better met by aiding the licensee in more efficiently discharging it's obligations, by introducing fixed timescales for response.  A clear reporting mechanism would help to better promote competition by increasing transparency, particularly in relation to the materiality of any claims made.

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative</b>	Yes, 10 days after the Panel decision is appropriate.
---	---

<b>suggestion where possible.</b>	
<b>Do you have any other comments?</b>	N/A
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	NO

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
1	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	YES, the form should be used for submitting claims for Relevant Interruptions.
2	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	We believe the form is adequate and should remain as simple as possible.
3	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	Yes, 30 days is reasonable
4	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	60 days is reasonable, with the option for a mutually agreed extension, to avoid claims being unduly delayed.
5	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	A de-minimis limit is appropriate to avoid frivolous, time-consuming claims being made.
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	On the basis that Planned Outages use a different compensation mechanism which is intended to encourage parties to accept an outage at a prescribed time, differentiation between Planned and Unplanned Outages seems appropriate, with no de-minimis for Planned Outages.

<b>Q</b>	<b>Question</b>	<b>Response</b>
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	Yes, for Unplanned Outages. There should be no de-minimis for Planned Outages.
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	It is appropriate to have a reporting mechanism in place for compensation claims. An annual report seems appropriate given the low frequency of claims currently received.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	The template provided in Annex 3 seems appropriate
10	<b>Do you have any comments on the legal text?</b>	No comments
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	Yes



**CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)  
Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Allan Kelly, Regulatory Policy Manager T: 0141 568 4748 E: allan.kelly@scottishpower.com</i>
<b>Company Name:</b>	<i>ScottishPower Renewables</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale.  (Please include any issues, suggestions or queries)</b>	<i>The rationale for the Work Group consultation is correct and justified given the need to correct these defects in pursuit of improved facilitation of the relevant CUSC objectives.</i>
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	<i>Yes, but only in some respects.  Improving the efficiency and robustness of a CUSC process is generally desirable and in this case is welcomed. However, by setting a time limit and a de minimus level for compensation claims as a result of interruptions may disadvantage certain types of user (mainly smaller independent users) and so it is questionable if this facilitates competition more effectively.</i>

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative</b>	<i>Yes.</i>
---	-------------

<b>suggestion where possible.</b>	
<b>Do you have any other comments?</b>	<i>We believe that NGET should be proactive in informing affected users of their potential right to claim compensation.</i>
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	<i>No.</i>

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>1</b>	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	<i>Yes. However, the format of the claim form should be kept under review in light of experience gained from its use. In addition, the claim form should be subject to document version control to ensure that claimants use the most up to date form.</i>
<b>2</b>	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	<i>See above.</i>
<b>3</b>	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	<i>Yes, generally, however it should be possible for extenuating circumstances to be taken into account, allowing for late submission.</i>
<b>4</b>	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	<i>Yes</i>
<b>5</b>	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	<i>Generally yes from an efficiency and practical perspective. However see earlier comments regarding facilitating CUSC objectives with respect to competition.</i>
<b>6</b>	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	<i>No view on this.</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	<i>Generally yes from an efficiency and practical perspective. However see earlier comments regarding facilitating CUSC objectives with respect to competition.</i>
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	Yes.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	No.
10	<b>Do you have any comments on the legal text?</b>	No.
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	Yes.

## CUSC Workgroup Consultation Response Proforma

### **CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	Michelle Dixon  Tel - 01977 782524 <a href="mailto:michelle.dixon@eggboroughpower.co.uk">michelle.dixon@eggboroughpower.co.uk</a>
<b>Company Name:</b>	Eggborough Power Limited (EPL)
<b>Please express your views regarding the Workgroup Consultation, including rationale.  (Please include any issues, suggestions or queries)</b>	Eggborough Power supports the modification. However, we do not believe that there should be a de-minimus threshold for claims. Given the experience of claims to date, the threshold would appear to be trying to fix a problem that does not exist. We also feel that with increasing numbers of smaller stations with independent owners, the threshold may stop perfectly legitimate claims that are material to the parties involved. For Grid in reviewing claims, it should not be that onerous if the party making the claim provides reasonable evidence. Grid should therefore only consider introducing a threshold if a problem starts to arise.
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	Eggborough believes that the modification better fulfils the Applicable CUSC Objectives, notably (b). It is important that where parties could make a loss as a direct result of a TO problem those parties should be able to claim their costs back from the TO. These claims are vital if parties are to operate profitably where incidents beyond their control occur and create additional costs to their business.

<b>Do you support the proposed implementation approach? If</b>	Yes.
--	------

<b>not, please state why and provide an alternative suggestion where possible.</b>	
<b>Do you have any other comments?</b>	No.
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	No.

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>1</b>	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	Yes as it would create some degree of standardisation which is likely to be more transparent and more equitable.
<b>2</b>	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	No.
<b>3</b>	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	Our concern with the limit is that if an incident occurs over a holiday season there may be good reasons that a party cannot get all the necessary information together to substantiate its claim. However, putting in the basic information and claim form, to alert Grid to the claim is reasonable.
<b>4</b>	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	Yes.
<b>5</b>	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	No. As noted above, we believe that the limit may stop perfectly legitimate claims that are material to the party concerned. There is no evidence that spurious or vexatious claims are being made, so there is no need to fix a problem that does not exist. This issue could be reconsidered if Grid finds in future that a problem is arising.

Q	Question	Response
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	No. Se above.
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	For smaller players this limit looks too high and we do not believe that any limit is necessary or desirable.
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	Yes. Eggborough also agree that the CUSC Panel can set the reporting frequency.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	No.
10	<b>Do you have any comments on the legal text?</b>	No.
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	It should only be self-governance if there is no claims threshold. If there is a threshold this becomes a material change to parties and therefore beyond the scope of self-governance.

### **CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Ebba John</i> <a href="mailto:ebjoh@dongenergy.co.uk">ebjoh@dongenergy.co.uk</a>
<b>Company Name:</b>	<i>DONG Energy</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale.</b>  <b>(Please include any issues, suggestions or queries)</b>	We support the proposals in the consultation document, [apart from the introduction of a de minimis level of compensation]
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	The proposals better facilitates the applicable CUSC objectives, apart from the de minimis level of compensation which could have an adverse effect on small players and thus would not facilitate effective competition (objective B).  <i>For reference, the Applicable CUSC Objectives are:</i>  <i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i>  <i>(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,</i>  <i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the</i>

	<i>Agency.</i>
--	----------------

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</b>	<i>Yes.</i>
<b>Do you have any other comments?</b>	<i>No.</i>
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	<i>No.</i>

#### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>1</b>	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	<i>Yes, the form is appropriate.</i>
<b>2</b>	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	<i>No.</i>
<b>3</b>	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	<i>Yes.</i>
<b>4</b>	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	<i>Yes.</i>



Q	Question	Response
5	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	No. There should not be a de minimis level as this could adversely impact small players. Based on past payments, small payments have not been common and we do not think a zero de minimis level would result in National Grid having to process large numbers of small claims.
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	No, for simplicity the de minimis rules should be the same for both outage types.
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	No, it should be zero.
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	Yes.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	No.
10	<b>Do you have any comments on the legal text?</b>	No.
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	Yes.

## CUSC Workgroup Consultation Response Proforma

### **CMP212 - Setting limits for claim: submission, validation and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 14 September 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Steve Lam at [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com).

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Carys Rhianwen</i> <i>Tel. 07979-566325</i> <i>Email. <a href="mailto:carys.rhianwen@centrica.com">carys.rhianwen@centrica.com</a></i>
<b>Company Name:</b>	<i>Centrica</i>
<b>Please express your views regarding the Workgroup Consultation, including rationale.</b> <b>(Please include any issues, suggestions or queries)</b>	<i>Supportive of the modification in principle, with a few comments on the detail – see below in response to the CMP212 specific questions</i>
<b>Do you believe that CMP212 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</b>	<i>For reference, the Applicable CUSC Objectives are:</i> <i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i> <i>(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,</i> <i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i>  <i>We support the establishment of a more robust process for submitting and assessing claims in relation to relevant</i>

	<i>interruptions. This should better facilitate the applicable CUSC objectives.</i>
--	---

<b>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</b>	<i>We would support the modification with a few refinements to the process and legal text – see below in response to the CMP212 specific questions</i>
<b>Do you have any other comments?</b>	<i>See below in response to the CMP212 specific questions</i>
<b>Do you wish to raise a WG Consultation Alternative Request for the Workgroup to consider?</b>	<i>No</i>

### Specific questions for CMP212

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>1</b>	<b>Do you think the claim form developed by the Workgroup should be used for submissions of all Relevant Interruption claims?</b>	Yes.
<b>2</b>	<b>Do you have any specific comments on the template claim form (Annex 2)?</b>	<ul style="list-style-type: none"> <li>- It is indicated that the form should be submitted within ‘30 days’ of the incident. It should be clarified whether this is working or calendar days. We believe that 30 working days should be used.</li> <li>- Similarly the ‘5 days’ within which a reference number is supplied should be clarified as either referring to working or calendar days. We would propose 5 working days.</li> <li>- An additional section to include the value of the claim is needed, not least due to the de minimus claim level, along with a brief explanation of the calculation.</li> <li>- In Section C ‘Incident Details’ it may be useful to explain the expected level of detail required for the claim to be considered without the need for additional data provision.</li> </ul>

Q	Question	Response
3	<b>Do you think a 30 day limit for the submission of a Relevant Interruption claim is appropriate?</b>	Yes. However this needs to be clarified as referring to either working or calendar days to avoid claims being rejected due to inadvertent late submission. We would suggest the use of '30 working days'
4	<b>Do you think a 60 day limit for National Grid to confirm the validity or otherwise of a Relevant Interruption claim and associated financial value is appropriate?</b>	Yes. As with question 3, the '60 days' should be clarified as referring to either working or calendar days to avoid later confusion. We would suggest '60 working days'.
5	<b>Do you think a de-minimis limit for a Relevant Interruption claim is appropriate?</b>	Yes.
6	<b>Should any de-minimis claim differentiate between Planned and Unplanned Outages?</b>	This is acceptable due to the differences between the two types of outages.
7	<b>Is £5,000 an appropriate level for a de-minimis claim level?</b>	Yes.
8	<b>Do you think that a reporting mechanism for compensation claims is appropriate?</b>	Yes; it is in the interest of transparency.
9	<b>Do you have any comments on the sample report in Annex 3?</b>	<ul style="list-style-type: none"> <li>- If a claim is rejected, the reason for this should be provided in the report.</li> <li>- Similarly if a claim is paid but the amount paid differs from that of the original claim, this should also be explained in the report.</li> </ul>

Q	Question	Response
10	Do you have any comments on the legal text?	<p>We propose the following changes and/or clarifications:</p> <ul style="list-style-type: none"> <li>- 5.10.4: '30 days' should be clarified as referring to either working or calendar days. We would suggest '30 working days'</li> <li>- 5.10.4: the following wording should be added to complete the process identified in CMP212: '<b>The Company</b> shall confirm receipt of the request by the <b>Affected User</b> within 5 working days.'</li> <li>- 5.10.6: re-ordering of text would be clearer, as follows: "The Company shall.... <b>Interruption Payment</b> value [] within 60 days of that <b>Affected User</b> requesting an <b>Interruption Payment</b>, or use reasonable endeavours to agree with the <b>Affected User</b> when it shall provide such confirmation.'</li> <li>- 5.10.6: '60 days' should be clarified as referring to either working or calendar days. We would suggest '60 working days'</li> <li>- 5.10.9: a more specific reference to the Report should be made (with an associated definition, see below). In the interest of transparency, the report should be at least yearly. Thus the text should read as follows: '<b>The Company</b> shall submit a <b>Relevant Interruption Claims Report</b> to the <b>CUSC Modification Panel</b> in respect of the claims processed under this Section 5.10, at least on a yearly basis unless determined otherwise by the <b>CUSC Modification Panel</b>.</li> <li>- Section 11 definition of <b>Loss of Transmission Access Compensation Claim Form</b>: the form should only be amended following discussion with the industry, hence the following wording is suggested: either 'Loss of ....by <b>The Company</b> following discussion with the industry...' or '...by <b>The Company</b> following discussion at the <b>CUSC Modification Panel</b>'. In addition '<b>Relevant Interruption</b>' should be in bold font.</li> <li>- To complete the above comment on 5.10.9, the following definition is suggested: '<b>Relevant Interruption Claims Report</b>' – a report prepared by <b>The Company</b> at least on an annual basis in respect of the claims under Section 5.10 containing as a minimum the following elements: number of claims received within the reporting period; status of claims (accepted, rejected, paid, pending payment, pending decision); length of time to process each claim; whether a time extension was needed and agreed; value of payment claim and value of payment made to the nearest £5,000; the reason for a claim being rejected where this is the case.</li> </ul>

Q	Question	Response
11	<b>Do you agree with the Workgroup that this modification should be progressed as self-governance?</b>	Yes

See below

**CMP212 – Setting limits for claim: submission, validation, and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **20 November 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com) Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	Leonida Bandura <a href="mailto:Leonida.Bandura@eon-uk.com">Leonida.Bandura@eon-uk.com</a>
<b>Company Name:</b>	E.ON UK Plc.
<b>Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning.</b>	<p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) <i>the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p>(b) <i>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.</i></p> <p>(c) <i>compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>Under the proposed original the first objective would be better met by aiding the licensee in more efficiently discharging its obligations, by introducing fixed timescales for response. A de minimis limit of £5000 is appropriate to avoid large numbers of small claims resulting in administrative burden for National Grid.</p> <p>A clear reporting mechanism would help to better promote competition by increasing transparency, particularly in relation to the materiality of any claims made.</p>
<b>Do you believe that CMP212 should be progressed as Self-governance given the impacts identified by the CUSC Panel under WACM1?</b>	Given the concerns raised by the Panel about WACM1 we do not believe that CMP212 should be progressed as self-governance.
<b>Do you believe it is</b>	It would be appropriate for the Panel to be able to amend the



<p><b>appropriate for the CUSC Panel to be able to amend the claims threshold under WACM1?</b></p>	<p>claims threshold under WACM1 if CMP212 was not progressed as a self-governance modification.</p>
<p><b>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</b></p>	<p>If CMP212 is not progressed as Self-Governance, it should be implemented 10 days after the Authority have made their decision.</p>
<p><b>Do you have any other comments?</b></p>	<p>No.</p>

### **CMP212 – Setting limits for claim: submission, validation, and minimum financial threshold values in relation to Relevant Interruptions**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **20 November 2012** to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com) Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

Respondent:	John Costa
Company Name:	EDF Energy
Do you believe that the proposed original or any of the alternatives better facilitate the Applicable CUSC Objectives? Please include your reasoning.	We believe the alternative WACM1 would better facilitate the relevant CUSC objectives compared to the original by allowing the panel discretion whether to accept a claim under the £5000 threshold.
Do you believe that CMP212 should be progressed as Self-governance given the impacts identified by the CUSC Panel under WACM1?	Yes
Do you believe it is appropriate for the CUSC Panel to be able to amend the claims threshold under WACM1?	Yes, in exceptional circumstances. This will allow smaller claims from potentially smaller generators to be entertained. Consideration should be given to the minimum disputes threshold in the BSC which is set at £3000.
Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.	Yes, we support the implementation timescale proposed and the fact that a claim could be submitted within 30 days from the date of implementation.
Do you have any other comments?	No