

## **Codes Summary**

This document provides a summary as to latest developments concerning the various other Industry Codes:

### **CUSC**

The **CUSC Amendments Panel** will meet on 26<sup>th</sup> January 2007. The main items for discussion will be:

#### **CUSC Amendments Update**

- CAP130 (CUSC Connection Application Form - Fixed and Variable Application Fees), awaiting Authority determination
- CAP131 (User Commitment for New and Existing Generators) at Working Group due to report back to February 2007 CUSC Panel Meeting
- CAP140 (Change to BSC Part Obligations) at Working Group due to report back to February 2007 CUSC Panel Meeting
- CAP141 (Clarification of the content of a Response to a Request for a Statement of Works) at Working Group due to report back to February 2007 CUSC Panel Meeting
- CAP142 (Temporary TEC Exchange) at Working Group due to report back to February 2007 CUSC Panel Meeting
- CAP143 (Interim Transmission Entry Capacity (ITEC) Product) at Working Group due to report back to March 2007 CUSC Panel Meeting

### **BSC**

The **BSC Panel** will meet on 11<sup>th</sup> January 2007. The main items for discussion will be:

- Modification Report for P209 (Housekeeping Modification – Change of Code References from BSCP531 to BSCP537)

### **Grid Code**

The next meeting of the **Grid Code Review Panel** is scheduled to take place on Thursday, 15<sup>th</sup> February 2007.

#### **Consultation Documents**

F/06 (Control and System Telephony), consultation period closes on 17<sup>th</sup> January 2007

G/06 (Power Park Modules and Synchronous Generating Units), consultation period closes on 18<sup>th</sup> January 2007

### **Charging**

The next meeting of the **Charging User Group** (ChUG) is due to be held at Bellshill on 9<sup>th</sup> January 2007.

**Condition 2** (Incremental Cost of Capacity) and **Condition 4** (Long Term Fixed Access Products) – the Reports to the Authority were submitted on 16<sup>th</sup> October 2006 and await Ofgem's determination.

Ofgem are to undertake an Impact Assessment on the Charging for SQSS Design Variations. The associated consultation document was published on 15<sup>th</sup> December 2006 with a closing date of 26<sup>th</sup> January 2007 for comments to be submitted.

### **TO Price Review**

Ofgem's final proposals were published on 4<sup>th</sup> December 2006, and are available on the Ofgem website: - <http://www.ofgem.gov.uk>.

# **AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT**

## **As at 9<sup>th</sup> January 2007**

This document contains the Amendment Registers for the CUSC, STC, BSC, TCMF & Grid Code and is correct as of the above date.

The most up to date versions may be found at the following websites:

STC: [www.nationalgrid.com/uk/Electricity/Codes/sotocode/](http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/)

CUSC: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/>

BSC: [www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx](http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx)

TCMF: [www.nationalgrid.com/uk/Electricity/Charges/TCMF/](http://www.nationalgrid.com/uk/Electricity/Charges/TCMF/)

Grid Code: [www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/](http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/)

## STC AMENDMENT REGISTER – AS AT 2<sup>nd</sup> January 2007

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All documents referred to in the Amendment Register are available on the National Grid STC website.

CA022		Amendments to Section H resulting from CA013			
Proposer	National Grid	Submitted	14/08/06	Submitted Priority	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
<p>The Amendment Proposal proposes to add two additional sub-paragraphs to Section H (Dispute Resolution) of the STC that were inadvertently omitted during the development of CA013 (TEC Exchange Rate Request Process).</p> <p>CA013 added a new Part Three of Section D to the STC, including two paragraphs, 1.4 and 2.7 which described matters that would be potentially disputable in accordance with paragraph 4.1 of Section H. Section H is structured so that all such disputable matters are listed in paragraphs 4.3 and 4.4. The new paragraphs introduced by CA013 should have therefore been listed in paragraph 4.4 of Section H but this change was inadvertently omitted.</p> <p>CA022 proposes to correct this by adding two additional sub-paragraphs, 4.4.14 and 4.4.15, to Section H, which will refer to paragraphs 1.4 and 2.7 of Section D, Part Three, respectively. It will also make it clear that disputes in reference to TEC Exchange fall under the provisions of paragraph 4.4 and not 4.3.</p>		<p>CA022 (Amendments to Section H resulting from CA013) was proposed by National Grid and discussed at the August STC Committee meeting. The Committee decided that CA022 should proceed directly to the Assessment and Report Phase.</p> <p>The Committee reviewed and signed-off the Proposed Amendment Report at September's STC Committee meeting. Proposed Amendment Report circulated to the industry for consultation on 22<sup>nd</sup> September 2006. Consultation period closes on 6<sup>th</sup> October 2006.</p> <p>No consultation responses received. Final Amendment Report submitted to Authority on 12<sup>th</sup> October 2006.</p> <p>Authority approved CA022 on 13<sup>th</sup> November 2006. CA022 was implemented on 20<sup>th</sup> November 2006.</p>			

## STC AMENDMENT REGISTER – AS AT 2<sup>nd</sup> January 2007

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### CA021

### Exchange of Investment Planning Data

<b>Proposer</b>	National Grid	<b>Submitted</b>	11/04/06	<b>Submitted Priority</b>	Normal
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#### Amendment Description

This amendment proposes changes to paragraph 2.4.3 (and 2.4.2) of Schedule 3 of the STC to allow Parties to disclose specific data to Transmission Owners on an enduring basis for the purposes of transmission investment planning, specifically stability studies.

The current provisions of paragraph 2.4.3 of Schedule 3 will expire on 30 September 2006. However, in the view of the proposer, there is a continuing need for this data to be provided to enable all Parties to meet their Licence obligations. It is therefore proposed that this data exchange is made permanent, but that the relevant sections of Schedule 3 are made more specific about the data that can be disclosed.

#### Current status and progress

CA021 Exchange of Certain Investment Planning Data was proposed by National Grid and was discussed at the 18<sup>th</sup> April 2006 STC Committee meeting. The Committee decided to take forward CA021 to the Evaluation Phase, meeting was held on 8<sup>th</sup> May 2006 to discuss further. The Committee AGREED at the 17<sup>th</sup> May 2006 meeting that the Evaluation phase was complete for CA021 and a Proposed Amendment Report should be drafted.

The Committee reviewed and signed-off the Proposed Amendment Report for Industry Consultation. Sent out for Industry consultation on 27/06/2006. Close of consultation on 11<sup>th</sup> July 2006.

No consultation responses received. Final Amendment Report submitted to Authority on 14<sup>th</sup> July 2006.

Authority approved CA021 on 8<sup>th</sup> August 2006. CA021 was implemented on 15<sup>th</sup> August 2006.

## STC AMENDMENT REGISTER – AS AT 2<sup>nd</sup> January 2007

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### CA020

### GB Transmission System Performance Reporting

<b>Proposer</b>	SPTL	<b>Submitted</b>	14/03/06	<b>Submitted Priority</b>	Normal
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#### Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the development of a statement by which the GB Transmission System performance can be measured and for the production of the associated report. The production of the statement and the report are licence requirements on National Grid. It is a licence requirement on the TOs that they provide assistance to National Grid in the production of the report.

The proposed amendment is based upon existing STC processes by which the Transmission Licensees co-operate to produce the Seven Year Statement.

#### Current status and progress

CA020 GB Transmission Performance Reporting was proposed by SPTL and discussed at the March 2006 STC Committee meeting. The STC Committee decided for CA020 to go forward to the Evaluation phase.

A teleconference took place on 11<sup>th</sup> April 2006 to discuss the legal text. At the 18<sup>th</sup> April 2006 STC Committee meeting the Committee AGREED for CA020 to move to Assessment and Report Phase.

Consultation closed on 6<sup>th</sup> June 2006, no responses received. Final Amendment Report submitted to Ofgem for determination on 20/6/2006.

Authority approved CA020 on 24<sup>th</sup> July 2006. CA020 was implemented on 31<sup>st</sup> July 2006.

### CA019

### Assessment of the Impact of Certain Embedded Power Stations

<b>Proposer</b>	SPTL	<b>Submitted</b>	20/02/06	<b>Submitted Priority</b>	Normal
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#### Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. SPTL is also proposing an Alternative Amendment to CA019, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

#### Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

The Authority rejected CA019 on 14<sup>th</sup> June 2006 (In line with STC recommendation)

## STC AMENDMENT REGISTER – AS AT 2<sup>nd</sup> January 2007

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### CA018

### Removal of the Restriction on Proposing Alternative Amendments

<b>Proposer</b>	National Grid	<b>Submitted</b>	14/02/06	<b>Submitted Priority</b>	Normal
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#### Amendment Description

This Amendment Proposal seeks to remove from the STC the restriction that each Party may only propose one Alternative Amendment. Paragraph 7.2.2.8 of Section B of the STC currently limits Parties to proposing only one Alternative Amendment. This has proved to be overly restrictive, particularly when developing STC amendments to “back-off” CUSC amendment proposals, which may contain a greater number of Alternatives.

#### Current status and progress

CA018 Removal of the Restriction on Proposing Alternative Amendments was discussed at the February Committee. The Committee decided that CA018 could proceed to the Assessment & Report Phase. At the March Committee meeting the Committee decided the Proposed Amendment Report to be sent for consultation for 10 business days.

Consultation closed on 6th April 2006. No industry responses received. At the STC Committee meeting on 18th April 2006 the Committee decided to submit to the Authority for determination. Amendment Report Submitted to Authority on 19th April 2006. Authority approved CA018 on 31<sup>st</sup> May 2006. Implementation date is 7<sup>th</sup> June 2006.

### CA017

### Assessment of the Impact of Certain Embedded Power Stations

<b>Proposer</b>	National Grid	<b>Submitted</b>	13/12/05	<b>Submitted Priority</b>	Normal
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#### Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA017, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

#### Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

The Authority rejected CA017 on 14<sup>th</sup> June 2006 (In line with STC recommendation).

## STC AMENDMENT REGISTER – AS AT 2<sup>nd</sup> January 2007

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CA016		Modification Applications in Respect of Certain Embedded Power Stations			
Proposer	National Grid	Submitted	13/12/05	Submitted Priority	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
<p>This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.</p> <p>This Amendment Proposal reflects the original CUSC Amendment Proposal CAP097 (as proposed by National Grid), which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA016, which would facilitate the revised process proposed by both the CAP097 Working Group Alternative Amendment 2 and the CAP097 Consultation Alternative Amendment 3 proposed by SP Transmission &amp; Distribution.</p>		<p>CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.</p> <p>A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.</p> <p>Ofgem have approved CA016 Alternative Amendment on 14<sup>th</sup> June 2006. Implementation date of 14th July 2006.</p>			

## CUSC AMENDMENT REGISTER – as at 2<sup>nd</sup> January 2007

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All documents referred to in the Amendment Register are available on the National Grid CUSC website.

### CAP143

#### Interim Transmission Entry Capacity ("ITEC") product

**Proposer** SSE Generation

**Submitted** 15/12/06

**Submitted  
Priority** Normal

#### Amendment Description

This Amendment Proposal adds a new section to the CUSC defining the principles of and process for obtaining Interim TEC ("ITEC").

#### Current status and progress

- CAP143 was presented to the December 2006 Panel meeting. The Panel decided that CAP143 should proceed to working group for 3 months, with the first meeting scheduled for 11 January 2007.

### CAP142

#### Clarification of the content of a Response to a Request for a Statement of Works

**Proposer** National Grid

**Submitted** 24/11/06

**Submitted  
Priority** Normal

#### Amendment Description

The current arrangements codified in CUSC 6.30.3 only appear to allow TEC trades between parties from the following 1 April on an enduring basis. This amendment seeks to introduce a much more flexible approach to TEC exchange such that these can be done between parties within year for variable periods of time as defined in a bilateral agreement. NGET would have a role in identifying the exchange rate applicable between parties as in the current arrangements.

It is envisaged that the party temporarily transferring TEC would continue to pay the TNUOS charges and this may be recovered from the receiving party as part of the bilateral agreement.

#### Current status and progress

- CAP142 was presented to the November 2006 Panel meeting. The Panel decided that CAP142 should proceed to working group for 3 months. The date of the first meeting of the Working Group to be confirmed.



**CAP141**

**Clarification of the content of a Response to a Request for a Statement of Works**

**Proposer** National Grid

**Submitted** 24/11/06

**Submitted  
Priority** Normal

**Amendment Description**

It is proposed that the CUSC be modified to clarify the content of a response to a Request for a Statement of Works pursuant to CUSC section 6.5.5.

**Current status and progress**

- CAP141 was presented to the November 2006 Panel meeting. The Panel decided that CAP141 should proceed to working group for 3 months. The first meeting of the Working Group is scheduled for 7 December 2006. **There was not enough nominations for CAP141 to reach a quorum. CAP141 was referred back to the CUSC Panel, who agreed that it would be held immediately after CAP140 Working Group on 15 January, and if there is not enough members for quorum National Grid would provide 2 representatives.**

**CAP140**

**Change to BSC Party Obligations**

**Proposer** National Grid

**Submitted** 24/11/06

**Submitted  
Priority** Normal

**Amendment Description**

It is proposed that the CUSC be modified to remove an anomaly in Section 6.29. This currently allows a generator to avoid mandatory accession to the BSC provided another party is responsible under the BSC for its export and either:

- a) the generator is Exempt and directly connected (Section 6.29.2) or
  - b) the generator is Exemptable, Embedded and Large (Section 6.29.3).
- This drafting thus requires an Exempt or Exemptable User, acting as an Embedded Small Power Station or Embedded Medium Power Station, to accede to the BSC even if another party was to be responsible under the BSC for its export.

**Current status and progress**

- CAP140 was presented to the November 2006 Panel meeting. The Panel decided that CAP140 should proceed to working group for 3 months. The first meeting of the Working Group is scheduled for 14 December 2006

**CAP132-139**

**Proposer** National Grid

**Housekeeping Amendments**

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

Housekeeping Amendments

**Current status and progress**

- CAP132-139 was presented to the September 2006 Panel meeting. The Panel decided that CAP132-139 should follow the housekeeping process. The draft Amendment Report was circulated on 6 October 2006 with a closing date of 20 October 2006. The final Amendment Report was issued to the Authority on 25 October 2006. The Authority approved CAP132-139 on 9 November 2006 for implementation on 23 November 2006

**CAP131**

**Proposer** National Grid

**User Commitment for New and Existing Generators**

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

This Amendment Proposal adds a new section to the CUSC defining the principles of User Commitment. By "User Commitment", we mean;

1. defining the monies to be secured by generators for incremental TEC; and
2. defining the ongoing liabilities of existing generators to incentivise TEC reduction information.

**Current status and progress**

- CAP131 was presented to the September 2006 Panel meeting. The Panel decided that CAP131 should proceed to working group for 3 months. The first meeting of the Working Group was held on 19 October 2006. The Working Group requested an extension of 2 months at the CUSC Panel Meeting on 24 November 2006 which the Authority approved. The report will now be given to the February 2007 CUSC Panel

**CAP130**

**CUSC Connection Application Form – Fixed and Variable Application Fees**

**Proposer** National Grid

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

It is proposed to amend the CUSC Application Forms within Exhibits B (Connection Application), D (Use of System Application), I (Modification Application) and Q (BELLA Application) to provide information to applicants regarding their choice in application fee between fixed and variable fee and to include a tick box to request applicants to indicate their application fee choice.

**Current status and progress**

- CAP130 was presented to the September 2006 Panel meeting. The Panel decided that CAP130 should proceed to industry consultation. The Consultation Report was circulated on 6 October 2006 with a closing date of 3 November 2006. The Panel voted that CAP130 better facilitated the applicable CUSC objectives of the CUSC on 24 November 2006. The Draft Amendment Report was circulated to the Panel on 28 November 2006 to ensure their vote was captured correctly, with a closing date of 5 December 2006 for any comments. **The Amendment Report was submitted to the Authority for consideration on 6 December 2006. A decision was received from the Authority on 20 December approving CAP130 with an implementation date of 8 January 2007.**

**CAP129**

**Removal of CUSC 6.17 and section B from Exhibit F**

**Proposer** National Grid

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

It is proposed to remove CUSC 6.17 and Section B from Exhibit F of the CUSC for Use of System Applications (Suppliers or Interconnector Users), as the provisions are no longer required, consequently this causes confusion for new applicants.

**Current status and progress**

- CAP129 was presented to the September 2006 Panel meeting. The Panel decided that CAP129 should proceed to industry consultation. The Consultation Report was circulated on 6 October 2006 with a closing date of 3 November 2006. The Panel voted that CAP129 better facilitated the applicable CUSC objectives of the CUSC on 24 November 2006. The Draft Amendment Report was circulated to the Panel on 28 November 2006 to ensure their vote was captured correctly, with a closing date of 5 December 2006 for any comments. **The Amendment Report was submitted to the Authority on 6 December 2006.**

**CAP128**

**Proposer** National Grid

**Removal of Section 10 – Transitional Issues**

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

It is proposed to remove Section 10 (Transitional Issues) of the CUSC. This relates to issues arising out of the transition from the MCUSA., this is no longer required as MCUSA was replaced in 2001.

**Current status and progress**

- CAP128 was presented to the September 2006 Panel meeting. The Panel decided that CAP128 should proceed to industry consultation. The Consultation Report was circulated on 6 October 2006 with a closing date of 3 November 2006. A CAA was proposed by Centrica and a second period of consultation commenced on 8 November 2006, which concluded on 22 November 2006. A Draft Amendment Report was circulated to the industry on 28 November 2006, with a closing date for comments of 5<sup>th</sup> December. **The Panel voted that CAP128 original amendment CAP128 better facilitated the applicable CUSC objectives on 15 December 2006. The Amendment Report was submitted to the Authority for consideration on 28 December 2006.**

**CAP127**

**Proposer** National Grid

**Calculation and Securing of Value at Risk**

**Submitted** 21/09/06

**Submitted  
Priority** Normal

**Amendment Description**

Section 3 - Credit Requirements (calculation of security for Demand TNUoS)

*Value at Risk (VAR) is the maximum amount of Use of System liability that any User is required to secure ("Security Requirement").*

It is the intention of this proposal to ensure that the CUSC more clearly reflects both the value and variability of the true value at risk throughout the year. Hence, National Grid propose an amendment to the CUSC that seeks to implement a calculation of VAR for Demand TNUoS charges that is more closely aligned to the monetary value at risk and actual risk of exposure to non payment, and to more appropriately define the way in which VAR has to be secured.

**Current status and progress**

- CAP127 was presented to the September 2006 Panel meeting. The Panel decided that CAP127 should proceed to working group for 3 months. The first meeting of the Working Group was held on 18 October 2006. The final Working Group meeting was held on 22 November and the report will be submitted to the December 2006 CUSC Panel. **The Report was submitted to the December Panel who agreed for it to proceed to Consultation. The Consultation Report was issued on 20 December 2006 with a closing date for comments of 24 January 2007.**

**CAP126                      Clarification of the applicability and definition of Qualifying Guarantee and Independent Security**

<b>Proposer</b>	National Grid	<b>Submitted</b>	21/09/06	<b>Submitted Priority</b>	Normal
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**Amendment Description**

Currently within CUSC Section 3, a '**Qualifying Guarantee**' and '**Independent Security Arrangement**' are open to misinterpretation. The proposal seeks to rectify this issue and better align the CUSC to the original intention of Ofgem's Best Practice Guidelines, as follows;

- To move **Qualifying Guarantees** from being Collateral (i.e. part of the Security Amount) to instead determining the **User's Allowed Credit**;
- To clarify that these **Qualifying Guarantees** can only be provided by a Parent Companies;
- To clarify that where Parent Companies provides **Qualifying Guarantees** for more than one User, the **Qualifying Guarantees** in aggregate cannot exceed the value of **User's Allowed Credit** that would be extended to the Parent Company if it were a User; and
- To clarify that **Independent Security** can only be provided by entities other than a Parent Company

**Current status and progress**

- CAP126 was presented to the September 2006 Panel meeting. The Panel decided that CAP125 should proceed to working group for 2 months. The first meeting of the Working Group was held on 18 October 2006. The CUSC Panel agreed on 24 November 2006 that CAP126 should proceed to Consultation. **The Consultation Report was circulated on 7 December 2006 with a closing date of 4 January 2007.**

**CAP125                      Revisions Resulting from Interconnector Separation**

<b>Proposer</b>	National Grid	<b>Submitted</b>	21/09/06	<b>Submitted Priority</b>	Normal
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**Amendment Description**

The amendment proposes to remove certain provisions in the CUSC relating to the French Interconnector. Historically, this was part of National Grid Electricity Transmission plc ("NGET" or "The Company"), but on 14<sup>th</sup> August 2006 was transferred to a separate legal entity, National Grid Interconnectors Ltd ("NGIL"), as part of the process of interconnector licensing. It is now appropriate to amend the CUSC to reflect the consequential effects of this separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.

**Current status and progress**

- CAP125 was presented to the September 2006 Panel meeting. The Panel decided that CAP125 should proceed to industry consultation. The Consultation Report was circulated on 6 October 2006 with a closing date of 3 November 2006. The Panel voted that CAP125 better facilitated the applicable CUSC objectives on 24 November 2006. The Draft Amendment Report was circulated to the Panel on 28 November 2006 to ensure their vote was captured correctly, with a closing date of 5 December 2006 for any comments. **The Amendment Report was submitted to the Authority for consideration on 6 December 2006.**

**CAP107**

**Redefinition of Response Energy Payment (REP) for Mandatory Frequency Response**

**Proposer** E.On

**Submitted** 08/12/05

**Submitted** Normal  
**Priority**

**Amendment Description**

CAP107 seeks to make a change to the calculation of Response Energy Payment under section 4.1.3.9A of CUSC so what a generator pays, or is paid, is its First Bid Price, for changes in energy output which occur as a result of delivering frequency response.

Currently the Response Energy is priced at a reference price which is the average of the time weighted average System Buy Price and time weighted average System Sell Price for the preceding calendar month.

By paying, or charging the relevant BMU a price equivalent to its First Bid Price, the generator concerned is able to more closely reflect its actual costs.

**Current status and progress**

CAP107 was presented to the December Panel Meeting. The Panel determined that CAP107 should proceed to consideration by the BSSG acting as a Working Group for a period of 3 months, presenting their Final Working Group Report to the March Panel Meeting. The Authority agreed to a month extension at the CUSC Panel meeting 24 February 2006. The Working Group will now report to April Panel Meeting. At the CUSC Panel Meeting on the 31 March 2006 the Authority agreed to an extension due to the proposed cancellation of the April meeting. The Working Group reported to the May Panel Meeting, where it was decided to proceed to Industry Consultation. The Consultation Document was issued 23 May 2006 with a closing date of 20 June 2006 for comments. A Draft Amendment Report is to be circulated to the industry for 5 days prior to the July CUSC Panel. The Panel voted on 28/07/06 for WGAAB as being the best option with a 3 month implementation from the Authority decision. The Draft Amendment Report was circulated to the Panel on 4<sup>th</sup> August 2006 to ensure their vote was captured correctly, with a closing date of 11<sup>th</sup> August 2006 for any comments. The Amendment Report was issued to the Authority on 16<sup>th</sup> August 2006. The Authority approved WGAAB on 28 September 2006 which was implemented on 28 December 2006.

## Consultation Papers - Current Status Report – 9<sup>th</sup> January 2007

Paper Ref.	Grid Code Change Reference	Current Status	Notes
A/06	Grid Code Changes to Appendix 5 of the Connection Conditions: Technical Requirements for Low Frequency Relays	Implemented	Authority approval received on 27 <sup>th</sup> June 2006. Implemented on 1 <sup>st</sup> January 2007.
C/06	Control Telephony Electrical Standard	Consultation Closed	Consultation closed on 19 <sup>th</sup> September 2006, 8 replies received.
D/06	Consequential Changed from B/06 and Housekeeping Amendments	Implemented	Authority approval received on 12 <sup>th</sup> December 2006. Implemented on 20 <sup>th</sup> December 2006.
E/06	Low Frequency Demand Disconnection Relay Settings	Implemented	Consultation closed on 3 <sup>rd</sup> November 2006, 3 replies received.
F/06	Control and System Telephony	Consultation	Consultation closes on 17 <sup>th</sup> January 2007
G/06	Power Park Modules and Synchronous Generating Units	Consultation	Consultation closes on 18 <sup>th</sup> January 2007

**Modification Register part 1 – Pending Modifications**

<b>Mod No.</b>	<b>Urgent</b>	<b>Title</b>	<b>Description</b>	<b>Date Raised</b>	<b>Proposer/ Organisation</b>	<b>Mod Group</b>	<b>Status</b>
<b>P198</b>	—	Introduction of a Zonal Transmission Losses scheme	Under the current BSC arrangements all transmission system losses are allocated to BSC parties in proportion to metered energy, whether production or consumption on a uniform allocation basis (45% to production accounts, 55% to consumption accounts). Therefore, the cost of heating (variable) transmission losses is allocated amongst BSC Parties regardless of the extent to which they give rise to them. This means that customers in the north of GB and generators in the south of England have to pay some of the costs of transmitting electricity to locations miles away from the source of generation. The proposed scheme will enable the variable costs of transmission losses to be allocated on a cost-reflective basis and reflected on parties that cause them. The modification would remove the current cross subsidies and associated discrimination that is inherent in the uniform allocation of transmission losses.	16/12/05	Terry Ballard <b>RWE NPOWER</b>	P82 TLFMG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that both the Proposed and Alternative Modifications should not be made.
<b>P200</b>	—	Introduction of a Zonal Transmission Losses scheme with Transitional Scheme	Section T of the BSC contains the term "transmission loss factor" (TLF), currently set to zero. We propose that, subject to feasibility, from 1st October 2007, the value of TLF be amended from zero to a zonal factor to be derived ex-ante and applied separately to generation and demand by zone, as per P198. We propose that, concurrent to the introduction of zonal TLFs, a transitional scheme is applied to existing generating plant meaning CVA-registered BM Units, including interconnector units, with their production/consumption flag set to "production" ("Production BMUs"). The transitional scheme would allow time-limited retention of existing transmission loss factors for fixed volumes of energy according to a mechanism similar to the EU ETS.	21/04/06	Phil Lawless <b>TEESIDE POWER</b>	P198 MG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that both the Proposed and Alternative Modifications should not be made.
<b>P203</b>	—	Introduction of a seasonal Zonal Transmission Losses scheme	This modification is based on the seasonal alternative solution to P198 developed at the modification group but without any phasing. Seasonal zonal Transmission Loss Factors (TLF) (the "applicable TLFs") would be derived ex ante for application to generation and demand BMUs within a zone (the "applicable zone") for each of the four BSC seasons. The proposed scheme would retain the current process for allocating transmission losses to generation and demand	26/06/06	Terry Ballard <b>RWE NPOWER</b>	P198 MG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that the Proposed Modification should not be made.



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			(45% of transmission losses to production accounts and 55% to consumption accounts).				
<b>P204</b>	——	Scaled Zonal Transmission Losses	Apportion an amount of estimated total variable (heating) losses in each period between BM Units in proportion to their flow volumes multiplied by a scaled zonal marginal Transmission Loss Factor determined from a load flow model. The remaining variable losses and fixed losses would be shared between all flows in proportion to volume as currently. The scaling factor would be determined such that on average over every zone and over time, no BM Unit should expect an allocation of losses less than its uniform volume proportion of fixed losses.	03/07/06	John Capener <b>BRITISH ENERGY</b>	P198 MG	Sent to the Authority for decision on 16 November 2006.  BSC Panel's recommendation is that the Proposed Modification should not be made.
<b>P206</b>	——	Publication of BSC Panel Election Results	Annex B-2 of the Code should be amended to require BSCCo to disclose the number of preference votes received in each voting round by candidates standing for election to the BSC Panel. Subject to approval, this amendment should be implemented from the submission date of this Modification Proposal, in order to disclose the 2006 election results. The details of preference votes cast by Trading Parties would remain secret. The option of Trading Parties to require that a BSC Auditor scrutinise the conduct of the election would remain unaffected.	03/08/06	Ben Sheehy <b>E.ON UK PLC</b>	GSMG	Sent to the Authority for decision on 20 December 2006.  BSC Panel's recommendation is that the Alternative Modification should be made and the Proposed Modification should not be made.
<b>P207</b>	——	Introduction of a new governance regime to allow a risk based Performance Assurance Framework (PAF) to be utilised and reinforce the effectiveness of the current PAF	This Modification proposes to introduce appropriate new governance arrangements to allow a risk based Performance Assurance Framework (PAF) to be utilised and to reinforce the effectiveness of the current PAF. It builds on the work undertaken in the recent PAF Review.	29/09/06	Carole Pitkeathley <b>ENERGYWATCH</b>	VASMG/ GSMG	In the Assessment Phase  Interim Report to be presented on 11 January 2006.  Assessment Report to be presented to the BSC Panel on 12 April 2007 following a three month extension to the Assessment Phase.

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P208	—	Housekeeping Modification	Minor changes to the Code to correct: manifest errors, incorrect references, redundant clauses, use of Code defined terms, typographical errors and minor inconsistencies.	09/11/06	BSC Panel	N/A	Sent to the Authority for decision on 19 December 2006.  BSC Panel's recommendation is that the Proposed Modification should be made.