

Codes Summary

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

CUSC

CUSC Amendments Update

The **CUSC Amendments Panel** met on 23 February 2007

- CAP131 (User Commitment for New and Existing Generators) Working Group presented to February 2007 CUSC Panel Meeting, will now proceed for a 4 week consultation period.
- CAP140 (Change to BSC Part Obligations) Working Group presented to February 2007 CUSC Panel Meeting, will now proceed for a 4 week consultation period
- CAP141 (Clarification of the content of a Response to a Request for a Statement of Works) Working Group presented to February 2007 CUSC Panel Meeting, issued for Consultation on 10th March, with a closing date of 10th April
- CAP142 (Temporary TEC Exchange) Working Group presented to February 2007 CUSC Panel Meeting, will now proceed for a 4 week consultation period
- CAP143 (Interim Transmission Entry Capacity (ITEC) Product) at Working Group due to report back to April 2007 CUSC Panel Meeting
- CAP144 (Emergency Instruction to emergency deenergise) at Working Group.
- CAP145 (Embedded Generator MW Register) Issued for Consultation on 8th February with a closing date of 8th March.
- CAP146 (Responsibilities and liabilities associated with Third Party Works and Modifications made by Modification Affected Users) at Working Group.
- CAP147 (Deemed Access Rights to the GB Transmission System for Renewable Generators) notice to withdraw issued 26 February 2007.

BSC

The **BSC Panel** will meet on 29 March 2007.

- The Regulatory impact assessment consultation for BSC modifications P198, P200, P203 and P204 (Zonal Transmission Losses) has been published by OFGEM. Consultation response date is 10 April 2007.

Grid Code

Grid Code

The last meeting of the Grid Code Review Panel took place on 15th February 2007, at the meeting the Panel agreed to:

- Operational Metering proposals proceeding directly to industry consultation
- P2/5 Working Group recommendations proceeding to industry consultation
- Establishment of Grid Code Working Groups for Black Start and Rated MW

Consultation Documents

- E/06 (Low Frequency Demand Disconnection Relay Settings) was approved by the Authority on 27th February 2007 and will be implemented on 1st April 2007.
- A/07 (Management of No System Management) was circulated to the industry for comment on 1st March. Consultation period closes on 29th March 2007.

Charging

Charging Arrangements for SQSS Design Variations

Following their impact assessment, Ofgem decided to veto this proposed TNUoS Methodology change on 16 February. National Grid is planning to discuss possible options to take this issue forward at the next TCMF meeting on 18 April 2007.

TO Charging Statements

Ofgem recently consulted on modifications to the Statements of the Basis for Transmission Owner Charges. The consultation closed on 9 March 2007.

TO Price Review

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

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 13th March 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/

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

BSC: www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx

TCMF: www.nationalgrid.com/uk/Electricity/Charges/TCMF/

Grid Code: www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/

STC AMENDMENT REGISTER – AS AT 1st March 2007

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

CA026

Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13

Proposer	National Grid	Submitted	13/02/07	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

Amendment Description

Allow the transfer of the Construction Planning Assumptions to the Transmission Owners (TOs) in Schedules 5, 6, 7, 11 and 13.

Allow the same data to be transferred to the Other Affected TO (e.g. Section D, Part 2, Paragraph 2.2.3) as provided to the Affected TO (e.g. Section D, Part 2, Paragraph 2.2.2) in Schedules 5, 6, 7 and 13.

Current status and progress

CA026 (Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA026 should proceed directly to the Assessment and Report Phase.

CA025

Amendment to STC regarding obligations in Connection Site Specification Submissions

Proposer	National Grid	Submitted	13/02/07	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

Amendment Description

Amendment to Section D, Part 1, Paragraph 2.6 such that when the TO has any new/revised information regarding the Connection Site Specification (CSS) then it shall submit a revised CSS to NGET.

Insert new provisions in Section D, Part 2 after paragraph 10, which would necessitate the TOs to submit a new/revised Connection Site Specifications to NGET prior to the commissioning of a project.

Current status and progress

CA025 (Amendment to STC regarding obligations in Connection Site Specification Submissions) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA025 should proceed directly to the Assessment and Report Phase.

CA024

Clarification of Construction Planning Assumption Data Requirements

Proposer	National Grid	Submitted	13/02/07	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

Amendment Description

Amend Section D, Part 2, Paragraph 3.1 such that the baseline for assessing NGET Construction Applications is the 'contracted background' as described in PC.5.4 of the Grid Code.

Amend Section D, Part 2, Paragraph 3.3 such that the latest submitted version of the 'contracted background' becomes the default data to be when assessing a NGET Construction Application.

Current status and progress

CA024 (Clarification of Construction Planning Assumption Data Requirements) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA024 should proceed directly to the Assessment and Report Phase.

STC AMENDMENT REGISTER – AS AT 1st March 2007

CA023

Exchange of Best View Investment Planning Data Outside the Boundary of Influence

Proposer	National Grid	Submitted	13/02/07	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

Amendment Description

This amendment proposes changes to Schedule 3 and Schedule 14 of the STC. The changes would allow National Grid to release the full GB Investment Planning models, including the Investment Planning Ranking Orders and Investment Planning network models, to the TOs for the purposes of investment planning.

Current status and progress

CA023 (Exchange of Best View Investment Planning Data Outside the Boundary of Influence) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA023 should proceed directly to the Assessment and Report Phase.

CA022

Amendments to Section H resulting from CA013

Proposer	National Grid	Submitted	14/08/06	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

Amendment Description

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).

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.

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.

Current status and progress

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.

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 22nd September 2006. Consultation period closes on 6th October 2006.

No consultation responses received. Final Amendment Report submitted to Authority on 12th October 2006.

Authority approved CA022 on 13th November 2006. CA022 was implemented on 20th November 2006.

STC AMENDMENT REGISTER – AS AT 1st March 2007

CA021

Exchange of Investment Planning Data

Proposer	National Grid	Submitted	11/04/06	Submitted Priority	Normal
-----------------	---------------	------------------	----------	-------------------------------	--------

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 18th April 2006 STC Committee meeting. The Committee decided to take forward CA021 to the Evaluation Phase, meeting was held on 8th May 2006 to discuss further. The Committee AGREED at the 17th 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 11th July 2006.

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

Authority approved CA021 on 8th August 2006. CA021 was implemented on 15th August 2006.

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

CAP147 Deemed Access Rights to the GB Transmission System for Renewable Generators

Proposer Wind Energy (Forse) Limited **Submitted** 15/02/07 **Submitted** Normal
Priority

Amendment Description

This Amendment Proposal will prioritise the use of the GB Transmission System by renewable generators, in accordance with the Renewables Directive 2001/77, Article 7.

Renewable generators will be given firm access to the GB Transmission System up to their CEC limit by a fixed date and be compensated to the extent they are constrained from exercising such right by the payment of a new category of Interruption Payment. This will be irrespective of whether or not any associated deep reinforcement works have been constructed and/or commissioned by such date. The Amendment Proposal achieves this by the introduction of Deemed Transmission Entry Capacity

Current status and progress

- CAP147 was presented to the February Panel, the Panel believed that as this could only be assessed against the current baseline which would result in a recommendation to reject therefore the Panel believed this was the wrong arena for this issue to be raised and addressed. The Proposer subsequently issued the CUSC Panel Secretary with notice of withdrawal of support. On 26 February the Panel Secretary published to all CUSC Parties notice of the withdrawal of support. CUSC Parties have until 5 March to notify the Panel Secretary if they wish to become the new Proposer of this Amendment.

Responsibilities and liabilities associated with Third Party Works and Modifications made by Modification

CAP146

Affected Users

Proposer E.ON **Submitted** 18/01/07 **Submitted** Normal
Priority

Amendment Description

It is proposed that the CUSC be amended to:

1. Clarify that National Grid is responsible for arranging and paying for all Third Party works listed in Appendix N of all relevant Construction Agreements.
2. Change the provisions in Section 6 of the CUSC relating to Modifications made by Modification Affected Users so that National Grid is responsible for paying the costs of all such Modifications.

Current status and progress

- CAP146 was presented to the January 2007 Panel meeting. The Panel decided that CAP146 should proceed to Working Group for 3 months. **The first Working Group meeting was held on 19 February.**

Embedded Generator MW Register**CAP145****Proposer** National Grid**Submitted** 18/01/07**Submitted
Priority** Normal**Amendment Description**

It is proposed to develop and provide a register in a similar format to the TEC register publishing certain details about Embedded Generator's with BELLA's, Relevant Medium Power Stations and Relevant Small Power Stations similar to the information provided on the TEC register.

Current status and progress

- CAP145 was presented to the January 2007 Panel meeting. The panel decided that CAP145 should proceed to Consultation for 4 weeks. **CAP145 Consultation was issued on 8 February 2007 with a closing date of 8 March 2007.**

CAP144**Proposer** National Grid**Submitted** 18/01/07**Submitted
Priority** Normal**Amendment Description**

It is proposed to extend the provisions introduced by CAP048 (Firm Access and Temporary Physical Disconnection) to include the specific circumstances when a Generator is exporting but is required to deenergise / disconnect from the Transmission System in an emergency via an Emergency Instruction (EI) issued by National Grid in Balancing Mechanism timescales in accordance with the Grid Code.

Current status and progress

- CAP144 was presented to the January 2007 Panel meeting. The Panel decided that CAP144 should proceed to Working Group for 3 months. **The first meeting was held on 14 February 2007.**

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. Further meetings have taken place and the Working Group Report is scheduled for March CUSC Panel. **At the February CUSC a request was made Panel for a month's extension which was approved by the Authority.**

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 Working Group Report was presented to the CUSC Panel on 23 February 2007, it was agreed to proceed to Consultation for 4 weeks.**

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		Current status and progress			
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.		<ul style="list-style-type: none"> 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 were 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 are not enough members for quorum National Grid would provide 2 representatives. The Working Group has commenced and a month's extension was granted by the Authority at the CUSC Panel on 28th January 2007. Further meetings have taken place and the Working Group Report is scheduled for the March CUSC Panel. 			
CAP140				Change to BSC Party Obligations	
Proposer	National Grid	Submitted	24/11/06	Submitted Priority	Normal
Amendment Description		Current status and progress			
<p>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:</p> <p>a) the generator is Exempt and directly connected (Section 6.29.2) or</p> <p>b) the generator is Exemptable, Embedded and Large (Section 6.29.3).</p> <p>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.</p>		<ul style="list-style-type: none"> 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. The Working Group Report was presented to the CUSC Panel on 23 February 2007, it was agreed to proceed to Consultation for 4 weeks. 			

CAP132-139**Proposer** National Grid**Amendment Description**

Housekeeping Amendments

Housekeeping Amendments**Submitted** 21/09/06**Submitted
Priority** Normal**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**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.

User Commitment for New and Existing Generators**Submitted** 21/09/06**Submitted
Priority** Normal**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. **The Working Group Report was presented to the CUSC Panel on 23 February 2007, it was agreed to proceed to Consultation for 4 weeks.**

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.

Removal of CUSC 6.17 and section B from Exhibit F**CAP129****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. The Authority approved CAP129 on 8 January 2007 which was implemented on 22 January 2007.

CAP128**Proposer** National Grid**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.

Removal of Section 10 – Transitional Issues**Submitted** 21/09/06**Submitted**
Priority Normal**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 5th 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. The Authority approved CAA on 1 February 2007 to be implemented on 15 February.

CAP127**Proposer** National Grid**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.

Calculation and Securing of Value at Risk**Submitted** 21/09/06**Submitted**
Priority Normal**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. A Consultation Alternative was proposed and a second Consultation period commenced 31 January with a closing date for comments of 14th February 2007. **The Draft Amendment Report was issued 27th February.**

CAP126 Clarification of the applicability and definition of Qualifying Guarantee and Independent Security**Proposer** National Grid**Submitted** 21/09/06**Submitted
Priority** Normal**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. A draft Amendment Report was circulated on 18th January and the vote will be held at the February CUSC Panel. **The Panel voted that CAP126 better facilitated the applicable CUSC objectives on 23 February 2007.**

CAP125**Revisions Resulting from Interconnector Separation****Proposer** National Grid**Submitted** 21/09/06**Submitted
Priority** Normal**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 14th August 2006 was transferred to a separate legal entity, National Grid Interconnectors Ltd ("NGIL"), as part of the process of interconnector licensing. It is now appropriate to amend the CUSC to reflect the consequential effects of this separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.

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. The Authority approved CAP125 on 09 January 2007 and was implemented on 23 January 2007.

CAP107**Redefinition of Response Energy Payment (REP) for Mandatory Frequency Response****Proposer** E.On**Submitted** 08/12/05**Submitted
Priority** Normal**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 4th August 2006 to ensure their vote was captured correctly, with a closing date of 11th August 2006 for any comments. The Amendment Report was issued to the Authority on 16th August 2006. The Authority approved WGAAB on 28 September 2006 which was implemented on 28 December 2006.

Consultation Papers - Current Status Report – 13th March 2007

Paper Ref.	Grid Code Change Reference	Current Status	Notes
C/06	Control Telephony Electrical Standard	Consultation Closed	Consultation closed on 19 th September 2006, 8 replies received.
E/06	Low Frequency Demand Disconnection Relay Settings	Approved	Approved by the Authority on 27 th February 2007. Implementation on 1 st April 2007
F/06	Control and System Telephony	Consultation Closed	Consultation closed on 17 th January 2007, 7 replies received.
G/06	Power Park Modules and Synchronous Generating Units	Consultation Closed	Consultation closed on 18 th January 2007, 16 replies received.
A/07	Management of No System Connection	Consultation	Consultation document circulated on 1 st March 2007. Consultation closing period 29 th March 2007.

Modification Register part 1 – Pending Modifications

Mod No.	Urgent	Title	Description	Date Raised	Proposer/ Organisation	Mod Group	Status
P198	—	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 RWE NPOWER	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.
P200	—	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 TEESIDE POWER	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.
P203	—	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 (45% of transmission losses to production accounts and 55% to consumption accounts).	26/06/06	Terry Ballard RWE NPOWER	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.

Mod No.	Urgent	Title	Description	Date Raised	Proposer/ Organisation	Mod Group	Status
P204	—	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 BRITISH ENERGY	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.
P207	—	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 ENERGYWATCH	VASMG/ GSMG	In the Assessment Phase Assessment Report to be presented to the BSC Panel on 12 April 2007 following a three month extension to the Assessment Phase.
P209	—	Change of Code References from BSCP531 to BSCP537'	P209 seeks to change all BSCP531 references in the current Code baseline to BSCP537. This will ensure that the transitional and ongoing Qualification arrangements defined in the Code will be appropriately interpreted.	11/01/07	BSC Panel	N/A	Sent to the Authority for decision on 14 February 2007. BSC Panel's recommendation is that the Proposed Modification should be made.
P210	Urgent	Revisions to the Text in Section P related to Single Notifications of Energy Contract Volumes and Metered Volume Reallocations	P210 proposes to revise or clarify the Code text in relation to the process of single notification for the purposes of removing the potential for misinterpretation and to ensure that established conventions and practices (and the efficiencies associated with those) are maintained. The Proposal would ensure that the text relating to the notifications processes in Section P of the Code is unambiguous and in accordance with existing conventions, general understanding, industry practice and the Energy Contract Volume Allocation Agent (ECVAA) Service Description.	05/02/07	BSC Panel	SSMG	The Authority considered and agreed with the recommendation from the BSC Panel that P210 is progressed as an Urgent Modification. A timetable for progression has been published on the P210 section of the ELEXON Website.