



**National Grid**

## **AMENDMENT REPORT**

**CUSC Amendment Proposal CAP015**

**Removal of Redundant Paragraphs**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP015*

Amendment Ref	CAP015
Issue	1.0
Date of Issue	28 March 2002
Prepared by	National Grid

## DOCUMENT CONTROL

Issue	Date	Author	Change Reference
0.1	19/03/02	National Grid	Draft for industry comment
1.0	28/03/02	National Grid	Formal version for submission to the Authority

## DOCUMENT LOCATION

National Grid website:

<http://www.nationalgridinfo.co.uk/cusc/index.html>

## DISTRIBUTION

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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## 1.0 SUMMARY AND RECOMMENDATIONS

### Summary

- 1.1 Paragraph 9.10.4 of the CUSC that deals, inter alia, with the process relating to the preparation of Transmission Network Use of System (TNUoS) Reconciliation Statements relating to Interconnectors, currently makes a distinction between pre and post-NETA reconciliation processes. In addition, a distinction between TNUoS charges for Financial Years ending on or before 31 March 2000 and those Financial Years since also exists.
- 1.2 In view of NETA 'going-live' on 27 March 2001, the distinction between pre and post-NETA reconciliation charges is no longer required and can be removed. Furthermore, as Final Reconciliation for all Financial Years ending on or before 31 March 2000 is now complete, such distinction is no longer required and can also be removed.
- 1.3 National Grid submitted CUSC Amendment Proposal CAP015 to the Amendments Panel for consideration at their 22 February 2002 meeting. CAP015 proposes a number of editorial changes relating to the TNUoS Reconciliation process. At the meeting, the Panel determined that CAP015 should proceed to wider industry consultation by National Grid (in accordance with 8.17.12(b)).
- 1.4 As a result of the above, National Grid circulated a Consultation Document to CUSC Parties and Panel Members (and other interested Parties) on 28 February 2002. Comments were requested by no later than close of business, 15 March 2002. Following the consultation, and in accordance with 8.20.3, a draft of this Amendment Report was circulated for comment on the 19 March 2002. Comments were requested by close of business, 27 March 2002.
- 1.5 This Amendment Report (Issue 1.0) was submitted to the Authority on 28 March 2002. The purpose of this document is to assist the Authority in their decision of whether to implement Amendment Proposal CAP015.
- 1.6 It should be noted that similar reference to redundant text (as proposed by CAP015) is also being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, the Amendment Report in respect of CUSC Amendment Proposal CAP014 that proposes similar changes (i.e. the removal of the distinction between pre and post-NETA) to Section 3 of the CUSC (re. Paragraph 3.12) was furnished to the Authority on 8 March 2002.

## Recommendations

### National Grid Recommendation

- 1.7 National Grid recommends that Amendment Proposal CAP015 is implemented to the time-scales proposed on the basis that it better facilitates achievement of the Applicable CUSC Objectives as set out in paragraph 1 of Condition C7F to National Grid's Transmission Licence.
- 1.8 This is on the grounds that removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate 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.

### Amendments Panel View

- 1.9 The CUSC Amendments Panel members agreed with National Grid's views outlined above.

## 2.0 INTRODUCTION

- 2.1 This Amendment Report has been issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses an issue that relates to the removal of redundant paragraphs and terminology from the CUSC. It should be noted that similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002.
- 2.2 Further to the submission of Amendment Proposal CAP015 (see Annex 1), the endorsement of the proposed changes by the Amendments Panel and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') in order to assist them in their decision whether to implement Amendment Proposal CAP015. Such an amendment will result in changes to Section 9 of the CUSC (as detailed in Annex 2).
- 2.3 This document outlines the nature of the CUSC changes that are proposed for implementation with effect from 5 days after the Authority's decision or 1 April 2002 (whichever is the later date). It incorporates National Grid's and the Amendments Panel's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation

have been included. Furthermore, a 'summary' of the representations received is also provided.

- 2.4 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at <http://www.nationalgridinfo.co.uk/cusc>.

### **3.0 THE PROPOSED AMENDMENT**

- 3.1 CUSC Amendment Proposal CAP015 (see Annex 1) as submitted by National Grid proposes a number of editorial changes to the CUSC. These include the removal of paragraph 9.10.4.1(a), the amalgamation of paragraphs 9.10.4.1(b) and 9.10.4.1(c), the modification of paragraphs 9.10.4.2 and 9.10.4.4 and the removal of two definitions from Section 11 of the CUSC. Annex 2 details the proposed amendments to the CUSC. The changes are required in order to remove redundant paragraphs and terminology in order to improve the clarity of the CUSC documentation.
- 3.2 Paragraph 9.10.4.1(a) relates to the reconciliation of Transmission Network Use of System (TNUoS) charges for Financial Years ending on or before 31 March 2000. As final reconciliation of 1999/2000 TNUoS charges has now been completed, this paragraph is now redundant and can be removed. Paragraphs 9.10.4.1(b) and 9.10.4.1(c) distinguish between pre-NETA and post-NETA reconciliation. As this distinction is no longer required for the purposes of TNUoS reconciliation, the two paragraphs can now be combined. Finally, the 'Notional Amount A' and 'Actual Amount A' terminology is no longer required as once again, they relate to charges for Financial Years ending on or before 31 March 2000 and are hence redundant. This means all references of 'Notional Amount A' and 'Actual Amount A' (in Paragraph 9.10.4) can be removed and all instances of 'Notional Amount B' can be changed to 'Notional Amount' and all instances of 'Actual Amount B' (in Paragraph 9.10.4) can be changed to 'Actual Amount'. Definitions of 'Actual Amount A' and 'Actual Amount B' can also be removed from Section 11.
- 3.3 It should be noted that similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, the Amendment Report in respect of CUSC Amendment Proposal CAP014 that proposes similar changes (i.e. the removal of the distinction between pre and post-NETA) to Section 3 of the CUSC (re. Paragraph 3.12) was furnished to the Authority on 8 March 2002.

## **4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES**

4.1 The applicable CUSC Objectives are set out in paragraph 1 of Condition C7F of the Transmission Licence. CUSC amendments should better facilitate achievement of the Applicable CUSC Objectives. These can be summarised as follows:

- (a) the efficient discharge by NGC 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.

4.2 National Grid recommends that Amendment Proposal CAP015 is implemented to the time-scales proposed on the basis that it better facilitates achievement of the Applicable CUSC Objectives as set out in paragraph 1 of Condition C7F to National Grid's Transmission Licence.

4.3 This is on the grounds that removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate 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.

## **5.0 PROPOSED IMPLEMENTATION AND TIME-SCALES**

5.1 It is recommended that Amendment Proposal CAP015 as detailed in this Amendment Report be implemented with effect from 5 days after the Authority's decision or 1 April 2002 (whichever is the later date).

## **6.0 IMPACT ON CUSC**

6.1 The proposed Amendment Proposal will require the modification of Paragraph 9.10.4 of the CUSC (Reconciliation Statements). The relevant legal drafting is contained in Annex 2 of this Amendment Report.

## **7.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

7.1 It is envisaged that Amendment Proposal CAP015 will have no impact on any core industry documents.

### **Changes required & Timescales to be followed to give effect to the Proposed Amendment**

- 7.2 As it is envisaged that Amendment Proposal CAP015 will have no impact on any core industry documents no changes are required.

### **Changes or Developments Required to Central Computer Systems & Timescales Involved**

- 7.3 It is envisaged that Amendment Proposal CAP015 will have no impact on Central Computer Systems established under core industry documentation.

### **Estimation of Costs**

- 7.4 Not Applicable.

## **8.0 IMPACT ON CUSC PARTIES**

- 8.1 It is envisaged that Amendment Proposal CAP015 will have no impact on any CUSC Parties.

## **9.0 ALTERNATIVE AMENDMENTS**

### **Description of Alternative Amendment**

- 9.1 No alternative Amendments have been offered or considered as part of this Amendment Proposal.

### **Assessment against Applicable CUSC Objectives**

- 9.2 Not applicable as no alternative Amendments have been offered or considered.

## **10.0 SUMMARY OF VIEWS AND REPRESENTATIONS**

### **Amendments Panel Members**

- 10.1 CUSC Amendments Panel members agreed with and supported the implementation of CUSC Amendment Proposal CAP015. This was on the grounds that the removal of redundant paragraphs improves the clarity of the CUSC documentation thereby enabling National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and to facilitate 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.

### Core Industry Document Owners

10.2 No views have been received from Core Industry Document Owners.

### Respondents to Consultation

10.3 National Grid received a total of 3 responses to the consultation on CUSC Amendment CAP015, all of which were supportive of the proposal.

10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company Name	Supportive	Summary of Comments
CAP015-CR-01	All TXU CUSC Parties	Yes	Supportive of the proposal as drafted.
CAP015-CR-02	British Energy Power & Energy Trading	Yes	Supportive of proposal  Provides some general thoughts on how to deal with future house-keeping changes.
CAP015-CR-03	British Gas Trading Ltd, Accord Energy, Centrica Kings Lynn and Centrica Peterborough	Yes	Supportive of the proposal but would suggest a clearer description of the meaning of 'Actual Amount' and 'Notional Amount' is included in Section 11 – Interpretation and Definitions.  Understands that National Grid intends to undertake a review of Section 11 to improve definitions within the CUSC.

### Comments on Draft Amendment Report

10.5 National Grid received 1 response following the publication of the draft Amendment Report. The following table provides an overview of the representation. A copy of the representation is attached as Annex 4.

Reference	Company Name	Summary of Comments
CAP015-AR-01	British Gas Trading Ltd, Accord Energy, Centrica Kings Lynn and Centrica Peterborough	Feel their comments supporting the Amendment Proposal not correctly reflected in the draft Amendment Report and National Grid not adequately responded to the points raised in the Consultation response.  Supportive of the proposal in principle but not happy with suggested redrafting of 9.10.4 and the descriptions of 'Actual Amount' and 'Notional Amount'.

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**National Grid's Views**

- 10.6 National Grid's recommendation regarding this Amendment Proposal is outlined in paragraphs 4.2 and 4.3 above. National Grid has reviewed responses to the consultation on CAP015 and is satisfied that this proposal should be implemented as agreed by the Amendments Panel.
- 10.7 With regards the suggestions for dealing with future house-keeping changes (as raised in CAP015-CR-02), National Grid welcomes such suggestions for the purposes of improving processes relating to the CUSC. In view of this, at the CUSC Amendments Panel meeting on 22 March 2002, National Grid reported that a register of house-keeping amendments was to be included as an annex to future CUSC Progress Reports. This will then form the basis of future Amendment Proposals that will be submitted at appropriate intervals to address the house-keeping requirements.
- 10.8 With regards the suggestion for providing a clearer description of the meaning of the terms Actual Amount and Notional Amount (as raised in responses CAP015-CR-03 and CAP015-AR-01) National Grid welcomes such suggestions for the purposes of further improving the clarity of the CUSC documentation. However, as it is our intention to carry out a full review of the definitions included in the CUSC in the near future (as part of a wider house-keeping Amendment Proposal as outlined in 10.7 above), it is proposed that we consider these suggestions at that time.

## **Annex 1 – CUSC Amendment Proposal**

<b>CUSC Amendment Proposal Form</b>	<b>CAP015</b>
<p><b>Title of Amendment Proposal:</b></p> <p>Changes to remove redundant paragraphs from the CUSC (Note: similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, this Amendment Proposal 'mirrors' CAP014 that dealt with the removal of similar text from Section 3 of the CUSC).</p>	
<p><b>Description of the Proposed Amendment</b> <i>(mandatory by proposer):</i></p> <p>This Amendment proposes the removal of redundant paragraphs and terminology from Section 9 (Interconnectors) of the CUSC. The changes relate to the reconciliation process for Transmission Network Use of System (TNUoS) charges.</p>	
<p><b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> <i>(mandatory by proposer):</i></p> <p>This change to Section 9.10.4 is being proposed to remove the redundant paragraphs and terminology (which distinguish between pre-NETA and post-NETA) that relate to TNUoS Reconciliation process. The attachment provides further detail of the proposed amendments.</p>	
<p><b>Impact on the CUSC</b> <i>(this should be given where possible):</i></p> <p>See attached draft text.</p>	
<p><b>Impact on Core Industry Documentation</b> <i>(this should be given where possible):</i></p> <p>None.</p>	
<p><b>Impact on Computer Systems and Processes used by CUSC Parties</b> <i>(this should be given where possible):</i></p> <p>None.</p>	
<p><b>Details of any Related Modifications to Other Industry Codes</b> <i>(where known):</i></p> <p>Similar reference to redundant text is being made in the update of the Statement of Use of System Charging Methodology document for April 2002. Furthermore, this Amendment Proposal 'mirrors' CAP014 that dealt with the removal of similar text from Section 3 of the CUSC.</p>	
<p><b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives</b> <i>(mandatory by proposer):</i></p> <p>Improving clarity and removing uncertainty from the CUSC documentation enables National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.</p>	

<b>Details of Proposer:</b> Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b>  Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid 024 7642 3198 <a href="mailto:andy.balkwill@uk.ngrid.com">andy.balkwill@uk.ngrid.com</a>
<b>Details of Representative's Alternate:</b>  Name: Organisation: Telephone Number: Email Address:	Mike Metcalfe National Grid 024 7642 3235 <a href="mailto:michael.metcalfe@uk.ngrid.com">michael.metcalfe@uk.ngrid.com</a>
<b>Attachments (Yes/No):</b> Yes	
<b>If Yes, Title and No. of pages of each Attachment:</b>	
Outline of Changes Required (1 Page)	

**Notes:**

Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.

The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Mark Cox  
Panel Secretary  
Commercial Development  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry, CV4 8JY

Or via e-mail to: [CUSC.Team@uk.ngrid.com](mailto:CUSC.Team@uk.ngrid.com)

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

## Attachment

### Outline of Changes Required:

- (i) Remove Paragraph 9.10.4.1(a)

*Reason for change: This paragraph is no longer required as it relates to Transmission Network Use of System (TNUoS) charges in each Financial Year ending on or before 31 March 2000. Final reconciliation of 1999/2000 TNUoS Charges has been completed resulting in this paragraph now being redundant.*

- (ii) Combine Paragraphs 9.10.4.1(b) and 9.10.4.1(c) as drafted below and renumber to 9.10.4.1

#### Calculation of Initial Reconciliation

9.10.4.1 On or before 30 June in each **Financial Year**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) that would have been payable by the **User** during each month during the preceding **Financial Year (Actual Amount)**. **NGC** shall then compare the **Actual Amount** with the amount of **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be) paid during each month during the preceding **Financial Year** by the **User** (the "**Notional Amount**").

*Reason for change: No distinction between pre-NETA and post-NETA reconciliation required.*

- (iii) Modify Paragraphs 9.10.4.2 and 9.10.4.4 as drafted below:

#### Generation Reconciliation

9.10.4.2 As soon as reasonably practicable and in any event by 31 March in each **Financial Year** **NGC** shall prepare a generation reconciliation statement (the "**Generation Reconciliation Statement**") in respect of generation related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount** and the **Notional Amount** of generation related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.

#### Initial Demand Reconciliation Statement

9.10.4.4 As soon as reasonably practicable and in any event by 30 June in each **Financial Year** **NGC** shall then prepare an initial **Demand** reconciliation statement (the "**Initial Demand Reconciliation Statement**") in respect of **Demand** related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount** and the **Notional Amount** of **Demand** related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.

*Reason for change: Remove redundant references to 'Notional Amount A' and 'Actual Amount A' that relate to charges in each Financial Year ending on or before 31 March 2000. Change all instances of 'Notional Amount B' to 'Notional Amount' and change all instances of 'Actual Amount B' to 'Actual Amount'.*

- (iv) Amend definitions in Section 11 as necessary.

## Annex 2 – Proposed Text to Modify CUSC

### Changes to Paragraph 9.10.4 as follows:

#### 9.10.4 RECONCILIATION STATEMENTS

##### 9.10.4.1 Calculation of Initial Reconciliation

~~(a) On or before 31 March in each Financial Year ending on or before 31 March 2000, NGC shall promptly calculate in accordance with the statement published by NGC in accordance with Licence Condition 10 (as subsisting at the relevant date of publication) of the Transmission Licence the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by each User during each month during that Financial Year (Actual Amount A). NGC shall then compare the Actual Amount A with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during that Financial Year by the User (the "Notional Amount A").~~

~~(b) On or before 30 June in the first Financial Year beginning after the NETA Go-live Date, NGC shall promptly calculate in accordance with the Statement of the Use of System Charging Methodology and the Statement of Use of System Charges the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by the User during each month during the preceding Financial Year (Actual Amount B). NGC shall then compare the Actual Amount B with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during the preceding Financial Year by the User (the "Notional Amount B").~~

~~(c) On or before 30 June in the second and later Financial Years commencing after the NETA Go-live Date, NGC shall promptly calculate on the basis set out in the Statement of the Use of System Charging Methodology and the Statement of Use of System Charges the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by the User during each month during the preceding Financial Year (Actual Amount B). NGC shall then compare the Actual Amount B with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during the preceding Financial Year by the User (the "Notional Amount B").~~

On or before 30 June in each Financial Year, NGC shall promptly calculate in accordance with the Statement of the Use of System Charging Methodology and the Statement of Use of System Charges the Demand related or generation related Transmission Network Use of System Charges (as the case may be) that would have been payable by the User during each month during the preceding Financial Year (Actual Amount). NGC shall then compare the Actual Amount with the amount of Demand related or generation related Transmission Network Use of System Charges (as the case may be) paid during each month during the preceding Financial Year by the User (the "Notional Amount").

##### Generation Reconciliation

9.10.4.2 As soon as reasonably practicable and in any event by 31 March in each Financial Year NGC shall prepare a generation reconciliation statement (the

- “Generation Reconciliation Statement”**) in respect of generation related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount A** and the **Notional Amount A or the Actual Amount B and the Notional Amount B (as appropriate)** of generation related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- 9.10.4.3 Together with the **Generation Reconciliation Statement**, **NGC** shall issue a credit note in relation to any sums shown by the **Generation Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **NGC** and in each case interest thereon calculated pursuant to Paragraph 9.10.4.4 below.
- 9.10.4.4 As soon as reasonably practicable and in any event by 30 June in each **Financial Year** **NGC** shall then prepare an initial **Demand** reconciliation statement (the **Initial Demand Reconciliation Statement**) in respect of **Demand** related **Transmission Network Use of System Charges** and send it to the **User**. Such statement shall specify the **Actual Amount A** and the **Notional Amount A or the Actual Amount B and the Notional Amount B (as appropriate)** of **Demand** related **Transmission Network Use of System Charges** for each month during the relevant **Financial Year** and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated.
- 9.10.4.5 Together with the **Initial Demand Reconciliation Statement** **NGC** shall issue a credit note in relation to any sum shown by the **Initial Demand Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **NGC** and in each case interest thereon calculated pursuant to Paragraph 9.10.4.6.

Definitions to be removed from Section 11 as follows:

~~“Actual Amount A” as defined in Paragraph 3.12;~~

~~“Actual Amount B” as defined in Paragraph 3.12;~~

**Annex 3 – Copies of Representations Received (Consultation Document)**

This Annex includes copies of any representations received following circulation of the consultation document (circulated on 28<sup>th</sup> February 2002 requesting comments by close of business 15<sup>th</sup> March 2002).

Representations were received from the following parties:

No.	Company	File Number
1	All TXU Companies which are CUSC Signatories	CAP015-CR-01
2	British Energy Power & Energy Trading	CAP015-CR-02
3	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough	CAP015-CR-03

Reference	CAP015-CR-01
Company	All TXU Companies

TXU Europe Energy Trading Ltd  
Wherstead Park  
Wherstead  
Ipswich  
Suffolk  
IP9 2AQ  
6<sup>th</sup> March 2002

David Friend  
Commercial Development  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

Dear David

**CAP015 – Consultation Response**

We confirm that we support the Amendment proposal as drafted.

Yours sincerely

Philip Russell  
Market Development Manager  
For and on behalf of the 20 TXU CUSC Parties

Reference	CAP015-CR-02
Company	British Energy Power & Energy Trading

## -----Original Message-----

**From:** Phillips Steve [<mailto:steve.phillips@british-energy.com>]  
**Sent:** 15 March 2002 15:40  
**To:** Friend, David  
**Cc:** Ace, Rachel; Capener, John; John Capener; Mate, Martin; Trott, Graham  
**Subject:** CAP015: Redundant Text Section 9

David,

A brief note to confirm that we have no substantive issues associated with this Amendment Proposal (AP) which is associated with general housekeeping to keep the CUSC aligned and are happy to provide SUPPORT for its approval by Ofgem.

Some thoughts however on the generic question of dealing with housekeeping changes.

I understand that at the February CUSC Amendment Panel (CAP), the Panel requested/suggested that similar 'housekeeping' amendments are notified to the Panel but are NOT raised as individual APs but rather are kept back until a reasonable 'package' is accumulated for an aggregated Housekeeping AP to be raised say, twice yearly.

Outwardly, the reduction of consultation documentation from a process efficiency perspective is a move to be welcomed. However a cautionary note. There is a clear need for such housekeeping proposals/issues to be made public beyond the walls of the CAP in a timely manner to ensure the industry is aware of the anomalies that will be addressed, and indeed be able to satisfy themselves that these are not substantive issues which require earlier attention. Such a move also ensures that industry members will not generate their own APs based on housekeeping changes. (Request them to flag these to NGC instead?) To do otherwise potentially defeats the efficiency objective of aggregation at a later date.

In respect of this CAP policy decision, is it not therefore appropriate to include such (non-contentious) items within the Headline report posted soon after the CAP meetings. As of today there is still no public record of the meeting 'decision'. Note too that to delay reporting to the agreed meeting minutes means a time lag of around 6 weeks before people, other than the CAP and any meeting observers, are made aware. Is it also appropriate to record the existence of these potential housekeeping APs to be included within the monthly Progress Report so as not to lose sight of them in the interim period?

Regards

Steve

Steve Phillips  
Senior Trading Consultant  
Market Development  
British Energy Power & Energy Trading

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Reference	CAP015-CR-03
Company	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.



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11th March 2002

Dear David,

#### **CUSC Amendment Proposal CAP015 – Removal of Redundant Paragraphs**

British Gas welcomes the opportunity to comment on the CUSC Amendment Proposal CAP015. This response is on behalf of British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.

In principle we support the Amendment Proposal put forward by NGC for the removal of redundant paragraphs in 9.10.4 from the CUSC and agree that the pre-NETA reconciliation arrangements are no longer required. The removal of these paragraphs would improve the clarity of the CUSC documentation and achieve the objective of the efficient discharge by the Licensee (NGC) of the obligations imposed upon it by the Electricity Act and its transmission licence.

However, in Section 11 instead of cross-referencing the definition for **Actual Amount** and **Notional Amount** to paragraph 3.12 we suggest a clearer description of the meaning of these terms should be captured in Section 11 – Interpretation and Definitions. Appendix 1 to this letter suggests some explicit wording for these defined terms and amends the wording of 9.10.4.1 to reflect this change. We understand that NGC intend to undertake a review of Section 11 and improve the appropriate definitions within the CUSC documentation. We welcome this initiative and would wish to see it implemented as soon as possible.

If you wish to discuss any aspect of our response in more detail please do not hesitate to contact me directly on the number above.

Yours sincerely,

**Brian Sequeira**  
**Senior Account Manager**

## Appendix 1 – CAP015: Suggested Redrafting of 9.10.4 and Section 11

Section 11 Proposed Amendments:

**“Actual Amount”** an amount that is payable by the **User** during each month during the preceding **Financial Year** to **NGC** in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** for the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be).

**“Notional Amount”** an amount that was paid by the **User** during each month during the preceding **Financial Year** to **NGC** in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** for the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be).

9.10.4.1 Proposed Amendments:

On or before 30 June in each **Financial Year**, **NGC** shall promptly calculate in accordance with the **Statement of the Use of System Charging Methodology** and the **Statement of Use of System Charges** the **Demand** related or generation related **Transmission Network Use of System Charges** (as the case may be). **NGC** shall then compare the **Actual Amount** payable with the **Notional Amount** paid by the **User** during each month during the preceding **Financial Year**.

**Annex 4 – Copies of Representations Received (Draft Amendment Report)**

This Annex includes copies of any representations received following circulation of the draft Amendment Report (circulated on 19<sup>th</sup> March 2002 requesting comments by close of business 27<sup>th</sup> March 2002).

Representations were received from the following parties:

No.	Company	File Number
1	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough	CAP015-AR-01

Reference	CAP015-AR-01
Company	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.



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26th March 2002

Dear David,

**CUSC Amendment Proposal CAP015 – Removal of Redundant Paragraphs**

Thank you for the opportunity to comment on the Amendment Report in respect of the above Amendment Proposal. British Gas Trading Limited submitted comments on behalf of itself and other CUSC parties at the consultation phase in respect of CAP0015.

We feel that our comments supporting the Amendment Proposal have not been correctly reflected in the Amendment Report and that, furthermore, that NGC has not adequately responded to the points we made in respect of the changes. While we support the removal of the redundant paragraphs in principle we are not happy with NGC's suggested redrafting of 9.10.4 and the descriptions of **Actual Amount** and **Notional Amount**. To ensure clarity in the CUSC documentation and to avoid any confusion in the definitions we suggest the drafting we proposed be given due consideration and also early implementation.

If you wish to discuss any aspect of this response in more detail please do not hesitate to contact the undersigned.

Yours sincerely,

**Brian Sequeira**  
Senior Account Manager