

CUSC Amendment Proposal Form	CAP012
<p>Title of Amendment Proposal:</p> <p>PROCEDURE FOR THE RENEWAL OF NGC (CONNECTION) ASSETS</p>	
<p>Description of the Proposed Amendment <i>(mandatory by proposer):</i></p> <p>To incorporate within the CUSC a procedure that must be followed by both NGC and a Connected Party(ies) before a NGC Connection Asset is renewed. The procedure would apply irrespective of whether the Asset had reached the expiry of its Replacement Period. The purpose of the procedure would be to ensure that the renewal of NGC Connection Assets would be subject to a rigorous engineering and economic appraisal that had due regard to the future duty and requirements of the User(s).</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i></p> <p>The procedure is required because there is currently no test as to whether the replacement of a NGC Connection Asset would be seen as economic by the Connected Party(ies). Unlike other NGC assets, NGC Connection Assets are for the predominant use of the Connected Party(ies).</p> <p>The only tests to be applied before NGC Connection Assets are renewed are given in CUSC Clause 2.17:</p> <ul style="list-style-type: none"> ▪ For assets where replacement is proposed before the expiry of their Replacement Period, Clause 2.17.1 permits NGC to renew a Connection Asset whenever the requirement is seen as being within “NGC’s reasonable opinion”. ▪ In the case of assets operating beyond the expiry of their replacement period, Clause 2.17.2 permits a NGC Connection Asset to be renewed if it is required “in NGC’s reasonable opinion to enable NGC to comply with its license and statutory obligations”. However, in this case the User may issue a counter notice for the assets to remain in service. <p>This proposal would require NGC to conduct to the satisfaction of the User an engineering and economic appraisal before the Asset was replaced. A key part of the procedure would be the right of recourse to an Independent Engineer to resolve any disputes between NGC and the User. Although the Authority can determine any charges due once a Connection Asset has been replaced, it does not appear to have any locus in deciding whether the replacement of the NGC Connection Asset is appropriate.</p>	
<p>Impact on the CUSC <i>(this should be given where possible):</i></p> <p>Revised drafting of CUSC Clause 2.17 together with an associated Procedure</p>	
<p>Impact on Core Industry Documentation <i>(this should be given where possible):</i></p> <p>None</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i></p> <p>None</p>	

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

None

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives
(mandatory by proposer):

The proposal will facilitate the following Applicable CUSC Objectives (as defined in Condition C7F of the Transmission License): -

(a) **The efficient discharge by the licensee of the obligations imposed on it under the Act and by this License.** The proposed procedure for the renewal of NGC Assets will ensure that assets are renewed in an economically efficient manner having due regard to the requirements of the Connected Party(ies).

(b) **Facilitating effective competition in the generation and supply of electricity.**: The proposed procedure will ensure that relevant economic factors are considered in a non-discriminatory and consistent manner between Users, such that the lowest cost solution can be found and thus competition facilitated.

Details of Proposer: Organisation's Name:	Innogy plc
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	David Tolley Innogy plc 01793 892650 david.tolley@innogy.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	John Norbury Innogy plc 01793 892667 john.norbury@innogy.com
Attachments (Yes/No): No If Yes, Title and No. of pages of each Attachment:	

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

(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).