

Trisha McAuley OBE
Independent Chair
CUSC & Grid Code Panel

Nadir Hafeez
Ofgem
By email

25 February 2019

Dear Nadir

**Connection and Use of System Code (CUSC) Modification Panel
Recommended Timetable for CMP312 'Correcting erroneous legal text in
Section 14 following implementation of CMPs 264/5 (consequential)'**

This modification aims to address the issue caused to Generator Users liable for demand TNUoS charges which has been created through a clear error in the approved legal text for CMP264 and CMP265. All documentation for these modifications can be located [here](#).

On 22 February 2019, National Grid (ESO) raised CMP312 and requested that the modification be treated as urgent. The Proposer set out their rationale within the proposal form, which is the following:

Urgency has been requested as, whilst CMPs 264/5 were approved in 2017, this is the first year in which reconciliation of all Parties' charges will be based on the new gross methodology and it is the view of the Proposer that no industry party expected the new gross arrangements to apply to the relevant Generators. Without this change, relevant Generators will be subject to additional TNUoS charges for which we believe they have not prepared – this is likely to constitute a windfall loss to those Parties. Given the circumstances at Triad these will be in the order of c.£30m

The CUSC Modifications Panel ("the Panel") considered CMP312 and the associated request for urgency at the CUSC Modifications Panel meeting held on 25 February 2019. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

Request for Urgency

The Panel considered the request for urgency with reference to Ofgem's Guidance on Code Modification Urgency Criteria. The unanimous view of the Panel is that **CMP312 does meet** these criteria and **SHOULD** be treated as an Urgent CUSC Modification Proposal.

In the discussion, members of the Panel noted the following;

- That there could be a significant commercial impact on parties, consumers or other stakeholder(s) if this is not treated as urgent.

Procedure and Timetable

Having decided to **recommend urgency** to Ofgem, the Panel discussed an appropriate timetable for CMP312.

The Panel agreed that CMP312 subject to Ofgem's decision on Urgency should follow the attached Code Administrators proposed timetable (Appendix 1 **Urgent recommendation**). This was supported by majority view.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE
Independent Chair of the CUSC and Grid Code Panel

Appendix 1– Timetables for consideration

Timetable 1: Urgent timetable for implementation by 29 March 2019:

Modification Stage	Date
Request for Urgency Received	22 February 2019
Panel consideration of Urgency 2019	25 February 2019
Ofgem decision on Urgency	26 February 2019
Publish Code Administrator Consultation (5WDs)	27 February 2019
Code Administrator Consultation closing date	6 March 2019
Draft Modification Report to CUSC Review Panel and Industry (3 WDs)	8 March 2019
CUSC Review Panel Recommendation Vote	14 March 2019
Submit Final Modification Report to Authority	18 March 2019
Authority Decision (7WDs)	28 March 2019
Date of implementation	29 March 2019

In the event that CMP312 is not granted urgent status it will be prioritised and a timetable will be drafted in conjunction with the CUSC Panel.