

Guidance Document

Use of System – Supplier

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1. Why do I need to sign agreements with National Grid Electricity System Operator?

In order to become a Supplier, you will need to have an Ofgem electricity supply licence in place. One of the requirements of the licence is to have a Use of System Agreement with National Grid Electricity System Operator (ESO) which will allow you to use the National Electricity Transmission System (NETS) to supply electricity to your customers. Your electricity supply licence also sets out the need to accede to the Connection and Use of System Code (CUSC). Admission as a CUSC Party is a requirement to ensure compliance with Grid Code obligations. You can find the latest copy of the Grid Code at:

<https://www.nationalgrid.com/uk/electricity/codes/grid-code?code-documents>

2. What agreements do I need?

As a Supplier, you will need to sign a [Use of System Supply Offer and Confirmation Notice](#), which will confirm your use of the NETS. If you are not already a CUSC Party, you will also need to sign a [CUSC Accession Agreement](#). The CUSC sets out the principal rights and obligations in relation to connection and use of the NETS. The full CUSC and further information relating to the CUSC can be found at:

<https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code-cusc>

3. How much will my application cost?

The Use of System Application has a £5000 + VAT fixed fee. These fees are set out in the Statement of Use of System Charges and are reviewed periodically. The current Statement can be found at:

<https://www.nationalgrideso.com/charging/charging-statements>

After National Grid ESO receives your Use of System Application, we will send you an invoice. Details describing how to pay will be included at the bottom of the invoice.

4. Are there any other costs I need to be aware of?

a. Balancing Services Use of System (BSUoS) and Transmission Network Use of System (TNUoS) charges

You will become liable for both BSUoS and TNUoS charges as soon as you begin using the transmission system; this is usually around the time you begin Controlled Market Entry (CME) with Elexon.

Please follow the link below to find out more about BSUoS and TNUoS charging:

<https://www.nationalgrideso.com/charging/charging-guidance>

b. Securities

When you accede to the CUSC and before you begin using the NETS, you will need to provide security for Balancing Services Use of System (BSUoS) and Transmission Network Use of System (TNUoS) charges. The value is determined as follows:

- 32 days of BSUoS charges, plus
- A small percentage of your calculated annual TNUoS charges.

We can help you to calculate the initial value of security required. Please contact the following mailbox: tnuos.queries@nationalgrideso.com

Note that the value of security is reviewed monthly, based on actual BSUoS consumption and forecast TNUoS charges (half-hourly and/or non half-hourly consumption). You will receive a monthly statement providing details of the latest position.

Full details of security for Use of System charges can be found in Section 3 of the CUSC (Part III – Credit Requirements) in the following location:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc?code-documents>

5. How do I apply?

You need to complete and sign the [Use of System Application \(CUSC Exhibit F\)](#) which can be found on our website.

Please note Clause 9 of the CUSC Accession Agreement states that if your organisation is not a company incorporated under the Companies Act 1985, you will need to provide National Grid ESO with an address in Great Britain which can receive CUSC notifications on your behalf.

Please return the completed form via post to:

Electricity Customer Connections (Floor L2)
National Grid Electricity System Operator
Faraday House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

or via email to: Transmissionconnections@nationalgrideso.com

6. How long will the application process take?

When we receive the completed Use of System Application and the application fee, we will arrange to have your Offer documents produced within 28 calendar days. You will have 3 months to accept and return the Offer, which will consist of 2 copies of the Use of System Supply Offer and Confirmation Notice and 2 copies of a CUSC Accession Agreement, if you are not already a CUSC Party.

Subject to you meeting the Credit Rating/the provision of your Letter of Credit or Parent Company Guarantee for the required security cover, we will then countersign for and on behalf of National Grid ESO and return one copy of each of the countersigned agreements to you for your records.

7. Who can I contact?

If you have any questions or need any advice, please contact the Electricity Customer Connections team:

Email: Transmissionconnections@nationalgrideso.com

Faraday House, Warwick Technology Park,
Gallows Hill, Warwick, CV346DA

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