

Codes Summary

This document provides a summary as to the latest developments, which are happening on the various Industry Codes:

CUSC

The last CUSC Amendments Panel Meeting took place on Thursday, 25th August 2005. The following amendment proposals were discussed at the meeting:

CAP105 (Change of Company Name for National Grid Company plc (NGC)) - The Panel decided that CAP105 should proceed to industry consultation. The consultation report was circulated on 2nd September, with a closing date of 3rd October 2005.

CAP104 (Amendment to System to Generator Inter-trip related terms concurrently defined in the Grid Code and the CUSC) - The Panel decided that CAP104 should proceed to industry consultation. The consultation report was issued on 30th August 2005 with a closing date of 30th September 2005.

Credit Cover

At the August meeting, the Panel decided that CAP089/90/91 should proceed to industry consultation. The consultation report was issued on 2nd September with a closing date of 3rd October 2005.

Withdrawals

CAP102 (Security of Supply Filter Mechanism) and CAP096 (Revisions Resulting from Interconnector Separation) have been formally withdrawn. CAP098 (Reassessment of Suppliers Value at Risk) is in the process of being withdrawn.

BSC

BSC Panel : 8th September 2005

The Panel approved the draft modification report on **P192** on the Change of Name for the Transmission Company.

Initial Written Assessments were presented on:

P193 Improved arrangements for Modification Proposals raised by the Panel

The proposal seeks to amend the existing Code provisions so that the Panel will be able to raise and submit a Modification Proposal directly to Definition, Assessment or Report at the same meeting.

P194 Revised Derivation of the 'Main' Energy Imbalance Price

The proposal is aimed at targeting the average weighted calculation to provide price signals more appropriate to the prevailing system conditions.

Both proposals have been submitted to 2 Month Assessment period.

Grid Code

The next GRCP meeting is scheduled to take on Thursday, 22nd September 2005.

The LEEMPS consultation has been sent out and Responses required by 7 October.

The inaugural meeting of the Regional Differences working group will be held at Warwick on 16 September. This group will focus initially on the definitions of Small/Medium/Large Power Stations.

It is expected that a Grid Code Consultation associated with changes to OC8B - Safety Co-ordination in Scotland and Local Safety Instructions in Scotland will be issued shortly after the GCRP meeting on 22 September.

The Authority has approved Grid Code change proposals to replace NGC with NGET. This will be implemented on 30 September.

Charging

Use of System Charging Methodology Consultation GBECN01 – Negative Demand Tariffs:- consultation period closed on 31st August 2005. National Grid considering their response to the Authority.

Connection Charging Methodology Consultation GBECM01 – Proposal to clarify One Off charges for System to Generator Intertripping Schemes:- consultation period closed on 12th August 2005. National Grid currently resolving minor issues identified by Users during the consultation period.

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 13th September 2005

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.nationalgridinfo.co.uk/stc/mn_amend_reg.html

CUSC: www.nationalgridinfo.co.uk/cusc/mn_ammendment_progress.asp?type=Amendment_Register

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

TCMF: www.nationalgridinfo.co.uk/charging/mn_tcmf.html

Grid Code: www.nationalgridinfo.co.uk/grid_code/mn_gcrp_business.html

STC AMENDMENT REGISTER – AS AT 2nd September 2005

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

CA015

Altering the Notification Period for STC Committee Meetings

Proposer National Grid

Submitted 17/08/05

Submitted Normal
Priority

Amendment Description

This proposal proposed that notice of the STC Committee Meeting and all paperwork (including the agenda) pertaining to the meeting be supplied to Committee Members at a common time. In line with other Industry Codes e.g. CUSC and BSC, it is proposed that this be set as five business days prior to the date of the Committee Meeting.

Current status and progress

CA015 was presented and discussed at the August Committee Meeting. National Grid indicated it wished to withdraw CA015 on 24/08/05.

CA014

Change of Company Name for National Grid Company plc (NGC) and consequential Amendments to the STC

Proposer National Grid

Submitted 12/07/05

Submitted Normal
Priority

Amendment Description

At National Grid Transco's Annual General Meeting (held on 25th July), shareholders approved a motion to change the name of the group to that of National Grid plc, with effective from 27th July 2005.

Due to the potential similarity between the group name National Grid plc and the holder of the Transmission Licence, National Grid Company plc, at the same time the group name was changed, National Grid Company plc was renamed National Grid Electricity Transmission plc.

This proposal proposes that the definition of NGC currently used within the STC and all occurrences of it within the STC are therefore updated.

Current status and progress

CA014 was presented to the July Committee Meeting. The Committee decided that CA014 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th August 2005 and comments requested by 16th August 2005. The Committee agreed the Amendment Report on 24th August 2005. The Amendment Report was submitted to Ofgem on 26th August 2005.

STC AMENDMENT REGISTER – AS AT 2nd September 2005

CA013

TEC Exchange Rate Request Process

Proposer	National Grid	Submitted	18/05/05	Submitted Priority	Normal
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Amendment Description

This amendment proposes that the STC be modified to clarify the process to be followed and the obligations on NGC and each Transmission Owner (TO) under the STC to jointly liaise in the preparation of a TEC Exchange Rate. This would occur when a TEC Exchange Rate Request is received from CUSC Parties, one or both of whom is sited in the licensed area or within the boundary of influence of a Transmission Owner.

Current status and progress

CA013 was presented to the May Committee meeting. The Committee decided that CA013 should proceed to the Assessment & Report Phase. STC Parties to provide their impact and assessment analysis by 5th August 2005. **Outstanding impact and assessment analysis to be submitted by 2nd September.**

CA012

STC – Table of Contents

Proposer	National Grid	Submitted	12/04/05	Submitted Priority	Normal
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Amendment Description

Insert Heading I14 and associated wording in the Table of Contents Document.

Recent authority direction in relation to EELPS inserted paragraph I14 into the STC but did not add the corresponding heading into the Table of Contents Document.

Current status and progress

CA012 was presented to the April Committee meeting. The Committee decided that CA012 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA011

STC – Table of Contents

Proposer	National Grid	Submitted	12/04/05	Submitted Priority	Normal
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Amendment Description

Insert Heading G20 and associated wording in the Table of Contents Document.

Recent authority direction in relation to Schedule 3 inserted paragraph G20 into the STC but did not add the corresponding heading into the Table of Contents Document.

Current status and progress

CA011 was presented to the April Committee meeting. The Committee decided that CA011 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

STC AMENDMENT REGISTER – AS AT 2nd September 2005

CA010

Schedule 3 – Amendment to paragraph 2.5.1

Proposer National Grid

Submitted 12/04/05

Submitted Normal
Priority

Amendment Description

Reference to 'Construction Agreement' should be amended to 'TO Construction Agreement'.

Amending incorrect terminology within Schedule 3, paragraph 2.5.1

Current status and progress

CA010 was presented to the April Committee meeting. The Committee decided that CA010 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA009

Schedule 3, – Amendment to Paragraph 2.3.2 – Incorrect cross referencing

Proposer National Grid

Submitted 12/04/05

Submitted Normal
Priority

Amendment Description

Cross-reference should be amended to refer to sub-paragraphs 2.4.7(a) – (g), not 2.4.6 (a) – (g).

Reference to sub-paragraphs 2.4.6 (a) – (g) will be corrected to read 2.4.7 (a) to (g).

Current status and progress

CA009 was presented to the April Committee meeting. The Committee decided that CA009 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA008

Schedule 3 – Amendment to paragraph 2.1.3 (a)

Proposer National Grid

Submitted 12/04/05

Submitted Normal
Priority

Amendment Description

Reference to 'Construction Agreement' should be amended to 'TO Construction Agreement'.

Amending incorrect terminology within Schedule 3, paragraph 2.1.3 (a).

Current status and progress

CA008 was presented to the April Committee meeting. The Committee decided that CA008 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

STC AMENDMENT REGISTER – AS AT 2nd September 2005

CA007

Section I, Paragraph 13.1 – Correction of sub-paragraph numbering

Proposer	National Grid	Submitted	12/04/05	Submitted	Normal
				Priority	

Amendment Description

Sub-paragraph numbering for Section I, paragraph 13.1 starts at 13.1.2 instead of 13.1.

Correction of sub-paragraph numbering of Section I, Paragraph 13.1

Current status and progress

CA007 was presented to the April Committee meeting. The Committee decided that CA007 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA006

Section G, paragraph 18.1 – removal of obsolete text.

Proposer	National Grid	Submitted	12/04/05	Submitted	Normal
				Priority	

Amendment Description

Removal of obsolete text – ‘to the effect that the law governing the place in which such immovable property’ – at the end of Section G, paragraph 18.1.

The authority decision letter for STC Housekeeping amendment deleted words from Section G, paragraph 18.1 but did not remove ‘to the effect that the law governing the place in which such immovable property’. Resulting in the current paragraph becoming ineffectual.

Current status and progress

CA006 was presented to the April Committee meeting. The Committee decided that CA006 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA005

Section J – New Definitions

Proposer	National Grid	Submitted	12/04/05	Submitted	Normal
				Priority	

Amendment Description

There are currently no definitions listed for: ‘Local Switching Procedure’, ‘Local Joint Restoration Plan’ and ‘De-Synchronised Island Procedure’.

The authority decision letter for OC7 and OC9 introduced the following terminology into the STC: Local Switching Procedure, Local Joint Restoration Plan and De-Synchronised Island Procedure but did not provide the relevant definition in Section J.

Current status and progress

CA005 was presented to the April Committee meeting. The Committee decided that CA005 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA004

Section I, Paragraph 1.2, Correction of Typing Error

Proposer National Grid

Submitted 12/04/05 **Submitted** Normal
Priority

Amendment Description

Section I, Paragraph 1.2 finishes with an end bracket “)” instead of full stop”.”.

The authority decision letter for SLC C18 introduced within Section 1 subparagraph 1.2 however the legal text finishes the sentence with an end bracket instead of a full stop.

Current status and progress

CA004 was presented to the April Committee meeting. The Committee decided that CA004 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA003

Introduction of Version Control

Proposer National Grid

Submitted 12/04/05 **Submitted** Normal
Priority

Amendment Description

Introduction of version control throughout STC documentation i.e. Sections, and Schedules.

Currently there is no version control of the STC sections and schedules, the introduction of which would assist in the electronic servicing of the STC.

Current status and progress

CA003 was presented to the April Committee meeting. Amendment was evaluated and an alternative amendment proposed. The Alternative Amendment proposes that to ease interested ‘parties’ servicing of the code, upon each update of a section of the Code, the entire section should be re-issued rather than just the affected pages as proposed by the original CA003. The Committee decided that CA003 and the Alternative Amendment should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved the Alternative Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA002

Section I, Paragraph 9.1 – Correction of sub-paragraphs numbering

Proposer	National Grid	Submitted	12/04/05	Submitted	Normal
				Priority	

Amendment Description

Sub-paragraph numbering for Section I, paragraph 9.1 starts at 9.1.2 instead of 9.1.1

Correction of sub-paragraph numbering of Section I, Paragraph 9.1 and amend subsequent paragraph numbering and cross referencing accordingly throughout paragraph 9.

Current status and progress

CA002 was presented to the April Committee meeting. The Committee decided that CA002 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

CA001

Section J, Paragraph 1.1 – Correction of Referencing Error

Proposer	National Grid	Submitted	12/04/05	Submitted	Normal
				Priority	

Amendment Description

Section J, Paragraph 1.1 refers to 'Section I' and requires correction to read 'Section J'.

Correction of referencing error at the beginning of Section J, Paragraph 1.1.

Current status and progress

CA001 was presented to the April Committee meeting. The Committee decided that CA001 should proceed to industry consultation. The Proposed Amendment Report was issued on 9th May 2005 and comments requested by 16th May 2005. The Committee agreed the Amendment Report on 25th May 2005. The Amendment Report was submitted to Ofgem on 27th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.

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

CAP105

Change of Company Name for National Grid Company plc (NGC)

Proposer National Grid

Submitted 17/08/05

**Submitted
Priority** Normal

Amendment Description

It is proposed that the CUSC is amended to reflect the recent Company Name change of National Grid Company plc (NGC) to National Grid Electricity Transmission plc (NGET).

Current status and progress

CAP105 was presented to the August Panel meeting. The Panel decided that CAP105 should proceed to industry consultation. The consultation report was circulated on 2nd September, with a closing date of 3rd October 2005.

CAP104

Amendments to System to Generator Intertrip related terms concurrently defined in the Grid Code and the CUSC

Proposer National Grid

Submitted 17/08/05

**Submitted
Priority** Normal

Amendment Description

This amendment proposal seeks to remove the definitions of system to generator Inter-trip categories from the CUSC and replace them with a reference to the Grid Code where they are concurrently defined in an identical manner.

Current status and progress

CAP104 was presented to the August Panel meeting. The Panel decided that CAP104 should proceed to industry consultation. The consultation report was issued on 30th August 2005 with a closing date of 30th September 2005.

CAP103

Flexibility of Working Group Internal Procedures

Proposer National Grid

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

This proposal would provide increased flexibility to the Working Group process by providing the Working Group with the ability to unilaterally alter membership for the period up to the next Amendments Panel, following which the Amendments Panel could either uphold or overturn the Working Group changes of membership.

Furthermore, it proposes that Working Group members are able to agree a three day timetable for the approval of Working Group Reports by the Working Group if all Working Group Members agree to this. However, in the event of no agreement, the standard five day timetable for approval would remain.

Current status and progress

CAP103 was presented to the July Panel. The Panel determined that CAP103 should be considered by the Governance Standing Group, acting as a Working Group and report back to the September Panel.

CAP102 **Revision of CUSC Amendment Provisions to allow a Proposer to State whether they believe their Amendment has a Security of Supply Dimension which Means in the View of the Proposer it should be Excluded from the Appeals Mechanism by the Authority**

Proposer National Grid

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

Section 8.17 lists the information a Proposer needs to provide in order to table a CUSC Amendment. It is proposed that an additional optional area of information is sought, namely whether in the Proposers view a security of supply issue could arise were their amendment to be delayed by an Appeal and in the Proposers view the Authority should exclude the Amendment from the Appeals Mechanism on security of supply grounds.

Current status and progress

CAP102 was presented to the July Panel. The Panel determined that CAP102 should be considered by the Governance Standing Group, acting as a Working Group and present their Final Report to the September Panel. **National Grid indicated it wished to withdraw CAP102 on 26/08/05 in accordance with the withdrawal process under Paragraph 8.15.8 of the CUSC and this process has now commenced.**

CAP101 **Removal of the Amendments Panel Chairman's Casting Vote – In Context of Amendments Panel Recommendations**

Proposer National Grid

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

Following discussions with the GSG, it is proposed that in the event of the Panel making a collective Amendments Panel Recommendation (by whatever means), in the event of a tie, the Amendments Panel Chairman should not have a casting vote. Rather, the fact that there has been a tie should be recorded and the Amendment should be capable of being appealed.

Current status and progress

CAP101 was presented to the July Panel. The Panel determined that CAP101 should be considered by the Governance Standing Group, acting as a Working Group and present their Final Report to the September Panel. **At the August Panel, it was agreed to amalgamate CAP101 with CAP100.**

CAP100 **Revision of CUSC Amendment Provisions to Ensure that Amendment Reports Include a Collective CUSC Panel Recommendation**

Proposer National Grid **Submitted** 21/07/05 **Submitted Priority** Normal

Amendment Description

CUSC Amendment Reports currently contain a Section for Panel Members views to be recorded. However, there is no opportunity for the Amendments Panel to make, and have recorded within the final Amendment Report, a collective recommendation to the Authority as to whether an Amendment proposal (and any Alternative Amendments) in the view of the Amendments Panel, better facilitate the Applicable Code Objectives.

Following discussions with the Governance Standing Group, NGC propose that when an Amendment Report has reached the point at which it would currently go to the Authority (i.e after the Amendments Report has been circulated to the Industry in draft form) it should instead be tabled at the next Amendments Panel.

The Amendments Panel would be required to vote as to whether they believed that the Amendment Proposal, and any Alternatives, better facilitated the Applicable Code Objectives. This vote would be recorded in the Panel Members Views Section. (Clearly Panel Members could abstain should they so wish.) In addition to the vote, any comments that Panel Members wished to have recorded, in relation to their view as to whether a proposal better facilitated the Applicable Code Objectives would also be noted within this section. Following the Amendments Panel Meeting, the Amendment Report, including the Panel Vote and views would be circulated to the Panel for 5 business days, to allow Panel Members a chance to check the factual accuracy of the way in which their views had been recorded. The Amendment Report would at that point be sent to the Authority.

Current status and progress

CAP100 was presented to the July Panel. The Panel determined that CAP100 should be considered by the Governance Standing Group, acting as a Working Group and present their Final Report to the September Panel. **At the August Panel, it was agreed to amalgamate CAP100 with CAP101.**

CAP099

Incorporation of Additional Credit Management Tools

Proposer Bizzenergy

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

This amendment seeks to Modify the CUSC to incorporate provisions to allow the use of:

1. A Performance Bond
2. Bi-lateral insurance
3. Independent Security
4. Advanced Payment

Objectives incorporating the Best Practice Guidelines for Network Operator Credit Cover Conclusions Document published in February 2005 by OFGEM.

Current status and progress

CAP099 was presented to the July Panel. The Panel determined that CAP099 should be considered by a Working Group, and present their Final Report to the September Panel.

CAP098

Reassessment of Suppliers Value at Risk

Proposer Bizzenergy

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

This amendment seeks to modify the CUSC to provide for monthly reconciliations of Users use against best available data so as to reduce the risks associated with forecasting errors. In addition, it proposes to reduce Security Cover required to reflect increased frequency of reconciliations and reduced Value at Risk

Current status and progress

CAP099 was presented to the July Panel. The Panel determined that CAP099 should be considered by a Working Group, and present their Final Report to the September Panel.

CAP097 Revision to the Contractual Requirements for Small and Medium Embedded Power Stations under 6.5

Proposer National Grid

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

This Amendment Proposal clarifies NGC's requirements from Embedded Small and Medium Power Stations in order to efficiently discharge its obligations imposed through the Transmission Licence and the Act. In setting out the requirements this Amendment Proposal recognises the Grid Code LEEMPS proposal in relation to the NGC/ DNO / Medium Power Station interfaces and seeks to ensure the CUSC processes under CUSC 6.5 are consistent with the requirements of the Grid Code.

This Amendment Proposal therefore includes additional requirements that whilst stand-alone support proposals by the LEEMPS working group under the Grid Code. The Grid Code changes are based on an indirect relationship between NGC and Embedded Medium Power Stations, facilitated via the DNO. The DNO would ensure the Embedded Medium Power Station complies with the relevant requirements of the Grid Code, including the provision of information to allow NGC to assess the impact of an Embedded development on the Transmission System.

Current status and progress

CAP097 was presented to the July Panel. The Panel determined that CAP097 should be considered by a Working Group and present their Final Report to the October Panel.

CAP096

Revisions Resulting from Interconnector Separation

Proposer National Grid

Submitted 21/07/05

**Submitted
Priority** Normal

Amendment Description

The amendment removes certain provisions in the CUSC relating to the French Interconnector. This is currently part of National Grid Company plc (NGC), but is in the process of being transferred into a separate legal entity, NGT Interconnectors Ltd (NGTIL), as part of the process of interconnector licensing. Once this separation has occurred, it will be appropriate to amend the CUSC to reflect the consequential effects of separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.

Current status and progress

CAP096 was presented to the July Panel. The Panel determined that CAP096 should proceed directly to wider industry consultation. The Consultation Document was issued on 5/08/05. The Consultation will close on 2/09/05. **National Grid indicated it wished to withdraw CAP096 on 26/08/05 in accordance with the withdrawal process under Paragraph 8.15.8 of the CUSC and this process has now commenced.**

CAP090

Credit Limits for rated companies

Proposer National Grid

Submitted 20/05/05

Submitted Priority Normal

Amendment Description

The amendment seeks to address and codify Ofgem’s recommendations within its Network Operator Best Practice guidelines.

This amendment would introduce the rules of establishing individual user limits based on a percentage of the maximum credit limit.

CAP:089 proposed that the CUSC should set a maximum credit limit based on 2% of Regulatory Asset Value of an individual Network Operator. This proposal is that individual counterparty credit limits and those that use Parent Company Guarantees or aggregates of both, should be set using credit ratings applied under the ‘Basel 2’ rules for determining bank capital adequacy. The implication is that the maximum credit allowances of 100 percent of maximum credit limit for AAA/AA and 40 percent for A. For the third band, (BBB) NGC proposes, consistent with Ofgem’s guidelines, that the above allowance be further sub-divided, such that the following are applied to rated entities:

Current status and progress

CAP090 was presented to the May 2005 Panel. The Panel determined that CAP090 should be considered by a Working Group reporting back to the August 2005 Panel. **The Working Group presented their Final Report to the August Panel. The Panel determined that CAP090 should proceed to wider industry consultation. The consultation report was circulated on 2nd September , with a closing date of 3rd October 2005.**

CAP089

Maximum Unsecured Credit Limit

Proposer National Grid

Submitted 20/05/04

Submitted Priority Normal

Amendment Description

The amendment seeks to address and codify Ofgem’s recommendations within its Network Operator Best Practice guidelines.

It is proposed that that Network Operators should set a maximum credit limit based on 2% of Regulatory Asset Value. Currently there is no unsecured credit limit within CUSC if a user has NGC credit rating (A- or A3 respectively as set by Standard and Poor’s or Moody’s for connection charges, BBB- or Baa3 respectively as set by Standard and Poor’s or Moody’s for Use of System charges). CUSC will require amending in order to implement the criteria for setting the maximum credit limit.

Current status and progress

CAP089 was presented to the May 2005 Panel. The Panel determined that CAP089 should be considered by a Working Group reporting back to the August 2005 Panel. **The Working Group presented their Final Report to the August Panel. The Panel determined that CAP089 should proceed to wider industry consultation. The consultation report was circulated on 2nd September , with a closing date of 3rd October 2005.**

CAP088

Application of late payments of Commercial Debts (Interest) Act 1998

Proposer National Grid

Submitted 20/05/05

Submitted Priority Normal

Amendment Description

The amendment seeks to address and codify Ofgem’s recommendations within its Network Operator Best Practice guidelines.

Clause 6.6.5 states the rate of 4% over base rate, accrued daily, can be levied on any CUSC party that fails to pay on the due date any amount properly due.

This amendment is proposed in order to allow the application of the late payment of Commercial Debts (Interest) Act 1998. This would act as an additional incentive to ensure that payments are made in accordance with prevailing contracts, as it allows for interest to be levied on late paid items at a rate equal to a specified base rate plus eight percentage points per annum. This rate is set twice a year on 30 June and 31 December each year. This rate is applicable for the following six-month periods i.e. 1July to 31 December and 1 January to 30 June respectively.

Current status and progress

CAP088 was presented to the May 2005 Panel. The Panel determined that CAP088 should be considered by a Working Group reporting back to the August 2005 Panel. **The consultation report was issued on 5th August 2005, with a closing date of 2nd September 2005.**

CAP087

Revisions to Request for Urgency Process

Proposer British Gas Trading

Submitted 13/04/05

Submitted Priority Normal

Amendment Description

CAP087 seeks to amend Section 8.21 of the CUSC, which details the process for requesting that an Amendment Proposal be treated urgently. Section 8.21.3 states that the Panel Chairman or Panel Secretary will only consult with the Authority if the Amendments Panel or a majority of the Amendments Panel agrees that the proposal should be treated urgently. This Amendment Proposal would extend that obligation on the Panel Chairman to consult with the Authority on all requests for urgency.

Current status and progress

CAP087 was presented to the April Panel meeting. The Panel decided that CAP087 should proceed to industry consultation. The consultation report was issued on 27th April 2005. The Amendment Report was submitted to Ofgem on 13/6/05. The Authority approved CAP087 on 15th July 2005, for implementation on 29th July 2005.

CAP086

Proposal for Earlier Consideration of Implementation Dates

Proposer E.ON UK plc

Submitted 13/04/05

Submitted Priority Normal

Amendment Description

CAP086 seeks to introduce a requirement on NGC to consult CUSC Users regarding Implementation Dates for CUSC Amendment Proposals earlier during the consultation arrangements.

NGC are already required to include details of implementation timescales within each CUSC Amendment report. However, CAP086 would specify an obligation within section 8 of the CUSC for NGC to consult CUSC Users regarding such dates. It is proposed that consultation on the Implementation Date will form part of the Amendment Consultation.

The Proposer believes that the Implementation Date is a fundamental aspect of any Amendment Proposal, which can have significant commercial impacts upon CUSC Parties. As such, the Implementation Date should be subject to the same level of rigour and scrutiny as the proposal itself. The Proposer believes that CAP086 is consistent with both the requirements of the current licence conditions and the recent Ofgem decision for CAP077.

Current status and progress

CAP086 was presented to the April Panel meeting. The Panel decided that CAP086 should proceed to industry consultation. The consultation report was issued on 27th April 2005. The consultation closed on 27th May. Consultation Alternative Amendments have been received and therefore a further consultation will be conducted. A further consultation on two Consultation Alternative Amendments closed on 29th June. The Amendment Report was submitted to Ofgem on 30th June. **Ofgem approved Amendment Proposal on 18th August 2005 for implementation on 2nd September.**

CAP085

Revised Treatment of Housekeeping Amendments

Proposer National Grid

Submitted 13/04/05

Submitted Priority Normal

Amendment Description

CAP085 would provide for a more efficient, lighter touch approach, to the progressing of Housekeeping Amendments. It is proposed that where such proposals have been raised, the CUSC Panel will agree whether or not they believe such Amendments are in fact Housekeeping (in accordance with the new definition of “Housekeeping Amendment,” in the CUSC.)

NGC will publish the proposed Housekeeping Amendments on the CUSC Industry Information Website for 5 business days, prior to writing to Ofgem requesting that the Housekeeping Amendments be approved.

The Authority will take the final executive decision as to whether or not to approve the Amendments based on the normal criteria as to whether or not they believe the proposal better facilitates the relevant applicable objectives.

Current status and progress

CAP085 was presented to the April Panel meeting. The Panel decided that CAP085 should proceed to industry consultation. The consultation report was issued on 27th April 2005. A further consultation was conducted on a Consultation Alternative Amendment with a closing date of 15th June 2005. The Amendment Report was submitted to Ofgem on 23/6/05. **Ofgem approved Amendment Proposal on 4th August 2005, the change was implemented on 17th August 2005.**

CAP047 Introduction of a competitive process for the provision of Mandatory Frequency Response

Proposer Innogy plc

Submitted 11/3/03

Submitted Priority Normal

Amendment Description

This amendment seeks to facilitate competition in the provision of Frequency Response services by increasing transparency and providers’ ability to vary prices. The proposed amendment has three elements;

- (1) Revision of the provisions regarding the right to amend payment rates such that the User can submit ‘holding’ prices to be applied in each calendar month for each mandatory frequency response service (Primary, Secondary and High). Such submissions to be made by the 15th business day of the month prior to month in which the prices shall apply;
- (2) A requirement for NGC to publish market data describing prices and volumes of frequency response services procured in previous months, submitted prices for each service by BMU, and their future requirements for the service;
- (3) Lifting of the cost reflective charging principle as currently applied to the ‘holding’ payments.

Current status and progress

CAP047 was presented at the Amendments Panel meeting on 21/3/03. The Panel actioned the BSSG to act as a Working Group to consider CAP047 further and report back to the June CUSC Panel meeting. The CAP047 Working Group Report was considered at the June Panel meeting. The Panel determined that the Working Group had met its Terms of Reference and that CAP047 could proceed to wider industry consultation by National Grid. A consultation paper was issued on 4th July and the consultation period closed on 20th August. The Amendment Report was submitted to the Authority on Thursday 4th September. National Grid supports Alternative Amendment (B). The Authority approved Alternative Amendment A on 28th September. NGC applied for an extension of the implementation date from 1st October 2004 to 1st October 2005 and this was approved by the Authority on 30th September.

P 192

Change of Name of the Transmission Company.

Proposer	John Greasley	Modification Description	Current progress	Current Status
Organisation	NATIONAL GRID	<p>A motion was submitted to the Annual General Meeting of the Transmission Company held on 25th July proposing to change the Company name from "National Grid Company plc" to "National Grid Electricity Transmission plc". The motion also amended the Group Company name to "National Grid plc" (formerly "National Grid Transco plc"). The motion was approved by shareholders and the changes took effect legally on 27th July.</p> <p>The rationale behind the change is that, in the light of the name of the Group Company becoming "National Grid plc", the name of the Transmission Company as a subsidiary company within the Group should also be amended to avoid any potential confusion between the two entities. The definition of the Transmission Company should consequently be amended in the BSC to align with the new legal name of the Company. The registered number of the company is unchanged.</p>	<p>At its meeting of 11 August 2005 the BSC Panel determined that P192 should be submitted directly to the Report Phase with a provisional recommendation that P192 should be made with an Implementation Date of 5 Working Days after an Authority decision is made. The P192 draft Modification Report will be submitted to the Panel at its meeting of 08 September 2005.</p>	Draft Report
Raised	27/07/2005			Status update
Process	NORMAL			12-Aug-05
Authority Report Date	September 2005			
Modification Group	N/A			

P 191

Revised definition of BM Unit to include Power Park Module

Proposer	Terry Ballard	Modification Description	Current progress	Current Status
Organisation	RWE NPOWER	It is proposed that the definition of a single BM Unit under Section K paragraph 3.1.4 (a) is amended to include a Power Park Module as follows: "K3.1.4 (a) any Generating Unit or CCGT Module or Power Park Module for whose Exports the Metering System(s) is or are registered in CMRS"	On 11 August 2005, the BSC Panel submitted P191 to a 2-month Assessment Procedure, with an Assessment Report to be presented to the Panel on 13 October 2005.	Assessment Procedure
Raised	26/07/2005			Status update
Process	NORMAL	In addition it is proposed to include a new definition of "Power Park Module" as follows: "Power Park Module" has the meaning given to that term in the Grid Code" This amendment and new definition will allow recent changes to the definitions in the Grid Code to allow connection of wind farms to be reflected in the BSC.		12-Aug-05
Authority Report Date	November 2005			
Modification Group	SSMG			

P 190				
Removal of witnessing and sealing service obligation on CDCA				
Proposer	Lorna Short	Modification Description	Current progress	Current Status
Organisation	RWE NPOWER	This Modification Proposal seeks to remove the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems as detailed in Section R 6.1.2 of the Code and place this obligation on the relevant CVA Meter Operator Agent.	On 12 July 2005, the BSC Panel submitted P190 to a 2-month Assessment Procedure, with an Assessment Report to be presented to the Panel on 08 September 2005.	Assessment Procedure
Raised	02/06/2005			Status update
Process	NORMAL			26-Jul-05
Authority Report Date	October 2005			
Modification Group	SSMG			

P 189				
Clarification to Fulfil the Intent of P174				
Proposer	Steve Drummond	Modification Description	Current progress	Current Status
Organisation	EDF TRADING	P174, when implemented in November this year, will allow BM Units associated with an Interconnector that has a single Boundary Point to form Trading Units and it had been fully assumed and expected by all concerned that the Anglo-French Interconnector would qualify (i.e. that the Anglo-French Interconnector has a single Boundary Point and would be captured by P174). However, it has become apparent in preparing for the implementation that the Anglo-French Interconnector has been registered with two Boundary Points, albeit at the same site, thus precluding BM Units associated with this Interconnector from forming Trading Units as envisaged under P174.	Final Modification Report issued to the Authority for determination on 15 July 2005. This report recommended that the Proposed Modification should be made.	Authority
Raised	23/05/2005			Status update
Process	NORMAL			26-Jul-05
Authority Report Date	July 2005			
Modification Group	N/A			

P 188**Revision of Credit Default Provisions**

Proposer	Mark Manley	Modification Description	Current progress	Current Status
Organisation	BRITISH GAS T	Section M of the BSC contains the rules for the calculation of a Trading Party's Energy Indebtedness, which is represented by the Credit Cover Percentage (CCP). The BSC does not obligate a Trading Party to lodge a minimum amount of Credit Cover, however, this is achieved by the use of 2 levels of Credit Default status. It is suggested that there is a disparity between the treatment of Generators and Suppliers. This was initially raised as Issue 16 to the SSMG. The group discussed the issue and agreed there was a defect.	Final Modification Report issued to the Authority for determination on 15 August 2005. This report recommended that the Proposed Modification should be made.	Authority
Raised	03/05/2005			Status update
Process	NORMAL			15-Aug-05
Authority Report Date	15 August 2005			
Modification Group	SSMG			

P 186**Submission and redeclaration of DC and GC values**

Proposer	John Gilbert	Modification Description	Current progress	Current Status
Organisation	NPOWER	This modification proposes that the criteria for the assessment of Demand and Generation Capacity submissions and redeclarations, as referred to in Section K 3.4.3 and detailed in Section K 3.4.3, be rationalised to remove the absolute volume criterium.	Final Modification Report issued to the Authority for determination on 13 May 2005. This report recommended that the Alternative Modification should be made.	Authority
Raised	28/01/2005			Status update
Process	NORMAL			13-May-05
Authority Report Date	13 May 2005			
Modification Group	SSMG			

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P 182

Review of the NHH Settlement performance measures

Proposer	Tim Roberts	Modification Description	Current progress	Current Status
Organisation	SCOTTISH POWER	This Modification has been developed through the VASMG following the raising of Issue 11 by Scottish Power plc, Centrica plc and E.ON UK. Annex S-1 of the Balancing and Settlement Code, requires that Suppliers increase the amount of actual energy provided to Settlements so that by 14 months, 97% of the actual energy rather than estimated energy is submitted. This Modification seeks to revise the current Non-Half Hourly (NHH) Settlement performance measure and the associated Annual Consumption Calculation Process.	Final Modification Report issued to the Authority for determination on 12 August 2005. This report recommended that neither the Proposed nor Alternative Modifications should be made.	Authority
Raised	29/11/2004			Status update
Process	NORMAL			12-Aug-05
Authority Report Date	July 2005			
Modification Group	VASMG			

Grid Code

Table 1 - Consultation Papers - Current Status Report – 13th September 2005

Issue	Lead Mngr	STCD lead	Priority	Summary of current position	Work Programme
OC1 OC2 'Phase 2 – Short Term' Proposals B/05	JG	DP	High	Authority approved proposal 1 and direct a change to the Grid Code to delete OC2.1.7.	Responses required by 15 July, extended to 22 July. Six responses received, Three with objections. Replies sent. Report sent to Authority on 18 th August 2005. Authority decision received on 12 th September, implementation date 30 th September 2005.
Re-Declaration of Availability of Frequency Sensitive Mode C/05	RM	DP	Medium	Report to Authority in Preparation	Response required by 29 July. 9 responses received mostly supportive with some suggestions. One respondent did not see need for change. Report to be sent to Authority w/e 9 th September 2005.
Licence Exempt Embedded Medium Power Stations D/05	BG	MD	High	Consultation sent out.	Working Group report to be discussed at 20 July EGCRP. Consultation report sent on 23 rd August 2005. Replies to be received by 7 th October 2005.
OC8 and Local Safety Instructions in Scotland E/05	BG	DP	Medium	Consultation in preparation	Expect to send consultation following September GCRP meeting.
Proposed changes to the Grid Code to incorporate the new Company Name F/05	BG	DP	Med	Authority approval received.	Consultation sent 29 July. Responses required 15 August. Few received all supporting. Report sent to Authority on 1 st September 2005. Authority decision received on 6 th September, implementation date 30 th September 2005.

Grid Code

Issue	Lead Mngr	STCD lead	Priority	Summary of current position	Work Programme
Time Extension for the requirements of Grid Code General Conditions GC15 G/05	BG	DP	High	Report sent to Authority.	Consultation Report sent 2 nd August. Responses required by 26 th August 2005. Report sent to Authority on 2 nd September 2005.