

## Codes Summary

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

### **CUSC**

Next Amendments Panel meeting is scheduled for 24<sup>th</sup> June 2005. Four new amendments will be submitted at the meeting for review:

1. CAP092 – Consistent Generation Use of System Change Liability Provisions for Transmission Access
  - Submitted by E.ON UK
  - An amendment to the existing Use of System Charge liability provisions, contained in 3.9.2 of the CUSC, to ensure that a User's total liability for charges during any Financial Year due to the granting of STTEC and/or Transmission Export Capacity (TEC) in respect of a Power Station, does not exceed the liability which would have been incurred had the relevant export capacity been provided through TEC alone.
2. CAP093 – Enabling the Flow of Electricity from Distribution Systems into the Transmission System at Grid Supply Points
  - Submitted by Central Networks
  - This proposed Amendment aims to recognise the flow of electricity from distribution systems into the transmission system at Grid Supply Points. This will be achieved by altering the CUSC definitions of Grid Supply Point and Distribution System, and by making any necessary consequential changes.
3. CAP094 – Limited Duration Transmission Entry Capacity
  - Submitted by First Hydro Company
  - This modification proposes a new product - Limited Duration TEC (LDTEC) - that will supplement TEC and the Short Term Firm Access products. It will, subject to release of LDTEC by the Transmission Company, allow a generating station to procure additional access rights to the system for the balance of the Financial Year, over and above any contracted TEC. These additional within year rights will expire at the end of the financial/charging year. The technical availability of this product would be based on NGC's operational criteria as opposed to a full planning assessment.
4. CAP095 – Removal of Operational Day Reference from Ex Post Publication of Response Information
  - Submitted by NGC
  - CUSC section 4.1.3.13A (c) – removal of the word "Operational" from the description relating to Ex Post publication of frequency response information.

### Updates

1. CAP087 – Amendment Report submitted to Ofgem on 13<sup>th</sup> June 2005
2. CAP086 – Further consultation is being conducted on a Consultation Alternative Amendment, which has a closing date of 21<sup>st</sup> June 2005.
3. CAP085 – Second consultation period closed on 15<sup>th</sup> June 2005. Awaiting comments from CUSC Parties on Draft Amendment Report.
4. CAPs079 to 084 – Authority approved the Proposed Amendments on 1<sup>st</sup> June 2005 for implementation on 15<sup>th</sup> June 2005.

## **BSC**

Latest meeting took place on 9<sup>th</sup> June 2005. The main items of discussion are summarised below:

### **1. Modifications Business**

- **P187 Introducing the Ability for a BSC Party to Request Urgent Status for it to be considered by the Authority**  
Panel considered the Assessment Report and agreed that the proposed Modification should be made. Modification Report to be submitted to the July Panel Meeting.
- **P189 Clarification to fulfil the intent of P174**  
The approved modification P174 allowed users of an Interconnector with a single boundary point connection to form a Trading Unit amongst themselves with other BM Units. P189 clarifies the scope of the modification to correctly encompass the Anglo-French Interconnector which is registered with two boundary points. The Panel agreed Modification to be sent direct to the Report Phase to be submitted to the July Panel Meeting.

### **2. Other Business**

The Panel agreed the BSC Audit Terms of Reference and Scope for the Year 1 April 2005 to 31 March 2006.

## **Grid Code**

Next meeting schedule for 22<sup>nd</sup> September 2005. There will be an Extra-ordinary GCRP scheduled for mid/late July to discuss the LEEMPS (Licence Exempt Embedded Medium Power Stations) final working group report.

## **Charging**

With reference to Site Specific Methodology, before there any changes to Charges are implemented, NGC will consult with Scottish Power and Scottish & Southern. This principle is in line with STCP14-2: Data Requirements for Charging Consultations. The item is on the agenda for further discussion at the next Charging User Group Meeting scheduled for 23<sup>rd</sup> June 2005.

# AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 17<sup>th</sup> June 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](http://www.nationalgridinfo.co.uk/stc/mn_amend_reg.html)

CUSC: [www.nationalgridinfo.co.uk/cusc/mn\\_ammendment\\_progress.asp?type=Amendment\\_Register](http://www.nationalgridinfo.co.uk/cusc/mn_ammendment_progress.asp?type=Amendment_Register)

BSC: [www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx](http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx)

TCMF: [www.nationalgridinfo.co.uk/charging/mn\\_tcmf.html](http://www.nationalgridinfo.co.uk/charging/mn_tcmf.html)

Grid Code: [www.nationalgridinfo.co.uk/grid\\_code/mn\\_gcrp\\_business.html](http://www.nationalgridinfo.co.uk/grid_code/mn_gcrp_business.html)

## STC AMENDMENT REGISTER – AS AT 1<sup>st</sup> June 2005

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

<b>CA013</b>					
<b>Proposer</b>	NGC	<b>Submitted</b>	18/05/05	<b>Submitted Priority</b>	Normal

### 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.

<b>CA012</b>					
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal

### 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.

### STC – Table of Contents

### 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 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.

<b>CA011</b>					
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal

### 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.

### STC – Table of Contents

### 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 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.

## STC AMENDMENT REGISTER – AS AT 1<sup>st</sup> June 2005

<b>CA010</b>		<b>Schedule 3 – Amendment to paragraph 2.5.1</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
Reference to 'Construction Agreement' should be amended to 'TO Construction Agreement'.		CA010 was presented to the April Committee meeting. The Committee decided that CA010 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>			
Amending incorrect terminology within Schedule 3, paragraph 2.5.1					
<b>CA009</b>		<b>Schedule 3, – Amendment to Paragraph 2.3.2 – Incorrect cross referencing</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
Cross-reference should be amended to refer to sub-paragraphs 2.4.7(a) – (g), not 2.4.6 (a) – (g).		CA009 was presented to the April Committee meeting. The Committee decided that CA009 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>			
Reference to sub-paragraphs 2.4.6 (a) – (g) will be corrected to read 2.4.7 (a) to (g).					
<b>CA008</b>		<b>Schedule 3 – Amendment to paragraph 2.1.3 (a)</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
Reference to 'Construction Agreement' should be amended to 'TO Construction Agreement'.		CA008 was presented to the April Committee meeting. The Committee decided that CA008 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>			
Amending incorrect terminology within Schedule 3, paragraph 2.1.3 (a).					

<b>CA007</b>		<b>Section I, Paragraph 13.1 – Correction of sub-paragraph numbering</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>			<b>Current status and progress</b>		
Sub-paragraph numbering for Section I, paragraph 13.1 starts at 13.1.2 instead of 13.1.			CA007 was presented to the April Committee meeting. The Committee decided that CA007 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>		
Correction of sub-paragraph numbering of Section I, Paragraph 13.1					

<b>CA006</b>		<b>Section G, paragraph 18.1 – removal of obsolete text.</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>			<b>Current status and progress</b>		
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.			CA006 was presented to the April Committee meeting. The Committee decided that CA006 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>		
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.					

<b>CA005</b>		<b>Section J – New Definitions</b>			
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>			<b>Current status and progress</b>		
There are currently no definitions listed for: ‘Local Switching Procedure’, ‘Local Joint Restoration Plan’ and ‘De-Synchronised Island Procedure’.			CA005 was presented to the April Committee meeting. The Committee decided that CA005 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>		
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.					

<b>CA004</b>		<b>Section I, Paragraph 1.2, Correction of Typing Error</b>		
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted</b> Normal <b>Priority</b>

**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 sub-paragraph 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 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.**

<b>CA003</b>		<b>Introduction of Version Control</b>		
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted</b> Normal <b>Priority</b>

**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 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.**

<b>CA002</b>		<b>Section I, Paragraph 9.1 – Correction of sub-paragraphs numbering</b>		
<b>Proposer</b>	NGC	<b>Submitted</b>	12/04/05	<b>Submitted</b> Normal <b>Priority</b>

**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 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.**

CA001		Section J, Paragraph 1.1 – Correction of Referencing Error			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
Section J, Paragraph 1.1 refers to ‘Section I’ and requires correction to read ‘Section J’.		CA001 was presented to the April Committee meeting. The Committee decided that CA001 should proceed to industry consultation. <b>The Proposed Amendment Report was issued on 9<sup>th</sup> May 2005 and comments requested by 16<sup>th</sup> May 2005. The Committee agreed the Amendment Report on 25<sup>th</sup> May 2005. The Amendment Report was submitted to Ofgem on 27<sup>th</sup> May 2005.</b>			
Correction of referencing error at the beginning of Section J, Paragraph 1.1.					

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

**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. 1 July 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.

**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.

**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 subdivided, 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.

**CAP091**

**Establishment and maintenance of an Unsecured Credit Allowance for Rated and Unrated Companies and the alignment of the Value at Risk calculation with current best practice.**

**Proposer** BizzEnergy

**Submitted** 20/05/05

**Submitted Priority** Normal

**Amendment Description**

This amendment seeks to Modify the CUSC to incorporate provisions for unrated companies to establish an appropriate line of credit in accordance with the CUSC Objectives taking account of the Best Practice Guidelines for Network Operator Credit Cover Conclusions Document published in February 2005 by OFGEM.

For example it is anticipated that at a high level the modification should include amongst other things:

1. Establish an unsecured credit allowance for unrated counterparties by using the payment record.
2. Where a company rated in the lower bands or an unrated counterparty seeks to increase its unsecured credit allowance it can do so by submitting to independent assessment of its creditworthiness.
3. Recalculation of the Demand Reconciliation Credit Cover amount of 10%.

**Current status and progress**

CAP091 was presented to the May 2005 Panel. The Panel determined that CAP091 should be considered by a Working Group reporting back to the August 2005 Panel.

**CAP087**

**Proposer** British Gas Trading

**Revisions to Request for Urgency Process**

**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 27<sup>th</sup> April 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 27<sup>th</sup> April 2005. **The consultation closed on 27<sup>th</sup> May. Consultation Alternative Amendments have been received and therefore a further consultation will be conducted.**

**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 27<sup>th</sup> April 2005. **A further consultation is being conducted on a Consultation Alternative Amendment with a closing date of 15<sup>th</sup> June 2005.**

**CAP084**

**CUSC – Table of Contents Document and CUSC Section 1 – Applicability of sections and related agreements structure - Contents**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted Priority** Normal

**Amendment Description**

CAP084 proposes to Insert Headings 1.5 and 1.6 and associated wording in the Table of Contents Document and in the Content page of Section 1.

ELPS Direction Letter inserted these paragraphs into Section 1 of the CUSC but did not add the corresponding headings and associated wording in the Table of Contents Document and in the Content page for Section 1.

**Current status and progress**

CAP084 was presented to the March Panel meeting. The Panel decided that CAP084 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP083**

**CUSC - Amendment to Definition of NGC in Section 11**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted  
Priority** Normal

**Amendment Description**

CAP083 proposes to amend the registered address given for NGC in Section 11. The address currently refers to the previous Coventry building and not the Strand offices in London.

**Current status and progress**

CAP083 was presented to the March Panel meeting. The Panel decided that CAP083 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP082**

**CUSC - Correction to Definition of Mandatory Ancillary Services**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted  
Priority** Normal

**Amendment Description**

CAP082 proposes to amend the definition of “Mandatory Ancillary Services” in Section 11 of the CUSC to refer to “Part 1 System Ancillary Services” and not “Part I System Ancillary Services” as it currently states.

**Current status and progress**

CAP082 was presented to the March Panel meeting. The Panel decided that CAP082 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period conclusion concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP081**

**CUSC Exhibit F – Amendment to the Notes**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted  
Priority** Normal

**Amendment Description**

Note 4 of Exhibit F currently refer to completion of Sections A-D of Exhibit F whereas there are only two sections (A & B).

CAP081 will amend Note 4 of Exhibit F to refer to completion of Sections A-B not Sections A-D.

**Current status and progress**

CAP081 was presented to the March Panel meeting. The Panel decided that CAP081 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP080**

**CUSC Paragraph 5.10 – Correction of Spelling Error**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted  
Priority** Normal

**Amendment Description**

CAP080 proposes to amend the heading of Paragraph 5.10, which currently reads “ELEVANT INTERRUPTIONS”. It requires correction to read “RELEVANT INTERRUPTIONS.

**Current status and progress**

CAP080 was presented to the March Panel meeting. The Panel decided that CAP080 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP079**

**CUSC – Table of Contents Document and CUSC Section 10 – Transitional Issues - Contents**

**Proposer** National Grid

**Submitted** 09/03/05

**Submitted  
Priority** Normal

**Amendment Description**

CAP079 proposes to delete the Headings 10.7 – 10.12 inclusive, the Appendix and correct the headings of 10.5 and 10.6 in the Contents page of Section 10 and Table of Contents Document.

CAP066 deleted paragraphs: 10.5, 10.6, 10.7, 10.9, 10.11, 10.12 and the associated Appendix in Section 10 of the CUSC, as they were redundant. CAP066 also renumbered sections 10.8 and 10.10. However CAP066 did not amend Section 10’s Contents page and the Table of Contents Document.

**Current status and progress**

CAP079 was presented to the March Panel meeting. The Panel decided that CAP079 should proceed to industry consultation. The consultation report was issued on 24<sup>th</sup> March 2005 and the consultation period concluded on 22<sup>nd</sup> April 2005. **The Amendment Report was submitted to Ofgem on 4<sup>th</sup> May 2005**

**CAP077      Revision to CUSC Amendment Implementation Dates where an Authority Decision is referred to Appeal or Judicial Review**

**Proposer**    National Grid

**Submitted**    29/10/04

**Submitted  
Priority**      Normal

**Amendment Description**

CAP077 introduces the ability for CUSC Implementation Dates to be revised where an Authority decision is referred to Appeal or Judicial Review.

The Proposer believes that the existing Code and Licence based provisions relating to Implementation Dates are defective in circumstances where an Authority Decision on a CUSC Amendment Proposal is referred to Appeal or Judicial Review.

The Proposer believes that by ensuring Approved Amendments that become subject to Appeal or Judicial Review are not potentially timed-out in respect of their recommended implementation Date, NGC will be able more easily and efficiently to discharge its obligations under the Electricity Act 1989 and the Transmission Licence. In addition, the work associated with such an Amendment Proposal will not be lost which will better facilitate achievement of the Applicable CUSC Objectives.

**Current status and progress**

CAP077 was presented to the October Panel meeting. The Panel agreed that CAP077 should be considered by the Governance Standing Group acting as a Working Group and that the Working Group should report back to the February 2005 meeting of the Panel, subject to no objection by Ofgem.

On 30/11/04 the Panel Secretary received a Notice from the Authority under Paragraph 8.13.3 of the CUSC requiring NGC to provide the Amendment Report for CAP077 to the Authority by 1/3/05. A revised timetable was developed in agreement with the Panel to meet this target which required a special Panel meeting under Paragraph 8.7.3 of the CUSC scheduled for 12/1/05.

At the special CUSC Panel meeting the Panel decided that the Working Group had met its remit and that CAP077 should proceed to industry consultation. The consultation report was issued on 12<sup>th</sup> January and the consultation concluded on 28<sup>th</sup> January.

The Amendment Report was submitted to Ofgem on 10<sup>th</sup> February 2005.

The Authority approved the Proposed Amendment for CAP077 on 31/03/05 for implementation on 14/4/05.

**CAP076**

**Treatment of System to Generator Intertripping Schemes**

**Proposer** National Grid

**Submitted** 20/08/04

**Submitted  
Priority** Normal

**Amendment Description**

The current framework for a System to Generator Intertripping Scheme ("A Scheme") fails to facilitate clarity of obligations between NGC and the associated Generator with respect to the arming and operation of the Scheme. Furthermore, there is a significant risk that the operation of a Scheme could have an adverse impact upon the Industry by virtue of the large cash flows that could be created.

This proposal seeks to address the above shortcomings by proposing to treat a Scheme as an Ancillary Service and covers categorisation, remuneration and obligations relating to a Scheme.

Areas for review are:

- i) Categorisation of System to Generator Intertrips
- ii) Remuneration for categories of Intertrips
- iii) Clarification of the framework and obligations for the above categories of intertrips

**Current status and progress**

CAP076 was presented to the August Panel meeting. The Panel determined that CAP076 should be considered by the BSSG acting as a Working Group reporting back to the November Panel.

The Panel agreed at its November 2004 meeting that the final report from the Working Group should be submitted to the December 2004 Panel meeting and the Authority did not object to this revised timetable.

The Panel agreed at its December 2004 meeting that the CAP076 Working Group had met its Terms of Reference and that CAP076 should proceed to industry consultation. The consultation report was issued on 23/12/04 and comments requested by 16/2/05.

The draft Amendment Report was circulated to Panel Members and CUSC Parties for comment on 23<sup>rd</sup> February.

The Amendment Report was submitted to Ofgem on 2<sup>nd</sup> March 2005.

**CAP068**

**Competing Requests for TEC**

**Proposer**            National Grid

**Submitted**        13/11/03

**Submitted  
Priority**        Normal

**Amendment Description**

Development and provision of a bulletin board to publish all offers for potential new generation and introduction of a Transmission Entry Capacity (TEC) trade facility to administer the trading of TEC between generators. This is to allow competing requests for TEC to be managed in an equitable and transparent manner.

Users will be expected to inform NGC of applications for TEC in accordance with existing arrangements described in the CUSC. When an offer for TEC is made by NGC, the details of such offer (e.g generating plant, date, quantity of TEC) will be published on a web page attached to the Seven Year Statement Web-site.

Proposal will allow trading of TEC (for example from moth-balled plant to new generators) on a one – one basis at the same GSP or, subject to a satisfactory exchange rate determination by NGC, between relevant GSPs. Both the acquiring and selling generator would submit the enquiry to NGC, who would then be expected to reply within timescales, as set out in CUSC and depending on the extent of any necessary works to the system. The process of determining an exchange rate will be a chargeable service.

**Current status and progress**

The Final Amendment Report was submitted to the Authority for determination on 28<sup>th</sup> May 2004. National Grid recommended the implementation of the Original Amendment.

The Authority approved the Alternative Amendment for CAP068 on 9/11/04 for implementation on 1/4/05.

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

<b>Proposer</b>	Innogy plc	<b>Submitted</b>	11/3/03	<b>Submitted Priority</b>	Normal
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**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 15<sup>th</sup> 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 4<sup>th</sup> July and the consultation period closed on 20<sup>th</sup> August. The Amendment Report was submitted to the Authority on Thursday 4<sup>th</sup> September. National Grid supports Alternative Amendment (B). The Authority approved Alternative Amendment A on 28<sup>th</sup> September. NGC applied for an extension of the implementation date from 1<sup>st</sup> October 2004 to 1<sup>st</sup> October 2005 and this was approved by the Authority on 30<sup>th</sup> September.

## BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

13/06/2005

<b>P 190</b>								
<b>Removal of witnessing and sealing service obligation on CDCA</b>								
Proposer	Organisation	Raised	Process	Authority Report Date	Modification Group	Modification Description	Current progress	Current Status
Lorna Short	RWE NPOWER	02/06/2005	NORMAL	October 2005	tbc	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.	An IWA in respect of P190 will be presented to the BSC Panel meeting of 14 July 2005	ELEXON Committee/ BSC Panel
								<b>Status update</b>
								2-Jun-05
<b>P 189</b>								
<b>Clarification to Fulfil the Intent of P174</b>								
Proposer	Organisation	Raised	Process	Authority Report Date	Modification Group	Modification Description	Current progress	Current Status
Steve Drummond	EDF TRADING	23/05/2005	NORMAL	July 2005	N/A	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.	At its meeting of 9 June 2005 the BSC Panel determined that P189 should be submitted directly to the Report Phase with a provisional implementation date of 2 November 2005 if an Authority decision is received on or before 19 October 2005, or 10 Working Days after an Authority decision, if the decision is received after 19 October 2005.	Draft Report
								<b>Status update</b>
								13-Jun-05
							The P189 draft Modification Report will be submitted to the Panel at its meeting of 14 July 2005.	

<b>P 188</b>		<b>Revision of Credit Default Provisions</b>		
<b>Proposer</b>	<b>Mark Manley</b>	<b>Modification Description</b>	<b>Current progress</b>	<b>Current Status</b>
<b>Organisation</b>	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.	On 12 May 2005, the BSC Panel submitted P188 to a 2-month Assessment Procedure, with an Assessment Report to be presented to the Panel on 14 July 2005.	Assessment Procedure
<b>Raised</b>	03/05/2005			<b>Status update</b>
<b>Process</b>	NORMAL			18-May-05
<b>Authority Report Date</b>	August 2005			
<b>Modification Group</b>	SSMG			

<b>P 187</b>		<b>Ability for a BSC Party to request Urgent Status</b>		
<b>Proposer</b>	<b>Mark Manley</b>	<b>Modification Description</b>	<b>Current progress</b>	<b>Current Status</b>
<b>Organisation</b>	BRITISH GAS T	Section F of the Balancing and Settlement Code (BSC) contains the rules for raising a Modification Proposal. The process allows for BSCCo or the Transmission Company to recommend to the Panel Chairman that a modification proposal should be treated as an urgent modification proposal and for timetable to be expedited. However, there is no explicit formal process for the raising party to request a modification proposal be afforded urgent status and for that request to be considered by the Authority. The modification is proposing to introduce a process that supports the aforementioned defect. BGT also believe there may be some value in clarifying the basis upon which a request for urgency can be granted and this could be considered further by the modification group.	At its meeting of 9 June 2005 the BSC Panel determined that P187 should be submitted to the Report Phase with a provisional Implementation Date for the Proposed Modification of 10 Working Days following an Authority decision;  The P187 draft Modification Report will be submitted to the Panel at its meeting of 14 July 2005.	Draft Report
<b>Raised</b>	04/04/2005			<b>Status update</b>
<b>Process</b>	NORMAL			13-Jun-05
<b>Authority Report Date</b>	July 2005			
<b>Modification Group</b>	GSMG			

**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			

**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.	On 09 June 2005, the BSC Panel noted the P182 Interim Report; confirmed the decision to seek an extension to the Assessment Procedure; and agreed that an Assessment Report should be completed and submitted to the Panel for consideration at its meeting of 14 July 2005.	Assessment Procedure
Raised	29/11/2004			Status update
Process	NORMAL			13-Jun-05
Authority Report Date	July 2005			
Modification Group	VASMG			

**P 177      Removal of Intertrip provisions from the BSC**

<b>Proposer</b>	Mark Duffield	<b>Modification Description</b>	<b>Current progress</b>	<b>Current Status</b>
<b>Organisation</b>	NATIONAL GRID	Paragraph Q.5.1.5 states that “the operation of an intertrip in the circumstances described in BC2.5.2.3 of the Grid Code shall be treated as being an Acceptance...” This modification forms one of a range of changes to industry codes and transmission licence documents required to amend the definition, management and remuneration arrangements associated with operational intertrips. Industry discussion and debate in relation to these proposals was initiated via CUSC Amendment Proposal CAP076. This modification to the BSC is a consequential change required to ensure that duplicate compensation arrangements do not exist following the operation of an intertrip.	P177 will be implemented on 15 July 2005 as a Code only Modification.	In Implementation
<b>Raised</b>	04/10/2004			
<b>Process</b>	NORMAL			<b>Status update</b>
<b>Authority Report Date</b>	15 February 2005			13-Jun-05
<b>Modification Group</b>	PSMG			

**P 175      Development of provisions related to certain BOAs**

<b>Proposer</b>	Terry Ballard	<b>Modification Description</b>	<b>Current progress</b>	<b>Current Status</b>
<b>Organisation</b>	RWE NPOWER	Changes to the BSC are required to introduce specific provisions relating to certain bid offer acceptances issued under the Grid Code BC2. The provisions should allow for construction of replacement bid offer prices and parties to claim for costs incurred in providing the service to NGC (such costs recovered from NGC). Bid offer acceptances under the Grid Code that are subject to the revised provisions could include emergency instructions and intertrips. Subject to changes to the Grid Code, the provisions could also apply to unplanned outages of the transmission system and system events such as demand control.	Final Modification Report issued to the Authority for determination on 19 January 2005. This report recommended that the Proposed Modification should not be made.	Authority
<b>Raised</b>	01/10/2004			
<b>Process</b>	NORMAL			<b>Status update</b>
<b>Authority Report Date</b>	19 January 2005			20-Jan-05
<b>Modification Group</b>	PSMG			

**P 173**

**Revised Settlement Arrangements for Emergency Instructions**

<b>Proposer</b>	<b>Mark Duffield</b>	<b>Modification Description</b>	<b>Current progress</b>	<b>Current Status</b>
<b>Organisation</b>	NATIONAL GRID	The Proposed Modification is to introduce Contingency Provisions into the BSC which apply to Acceptances resulting from a communication described in Q5.1.3 (b) only. For ease of description the communication shall be termed 'relevant emergency instruction'. The new Contingency Provisions will define arrangements for calculating a replacement Bid or Offer price which will apply to an Acceptance pursuant to a 'relevant emergency instruction'.	Final Modification Report issued to the Authority for determination on 19 January 2005. This report recommended that the Proposed Modification and the Alternative Modification should not be made.	<b>Authority</b>
<b>Raised</b>	25/08/2004			<b>Status update</b>
<b>Process</b>	NORMAL			20-Jan-05
<b>Authority Report Date</b>	19 January 2005			
<b>Modification Group</b>	PSMG			

# GRID CODE DEVELOPMENT ISSUES

Paper GCRP 05/06

**Table 1 - Consultation Papers - Current Status Report – 15<sup>th</sup> June 2005**

Paper Ref.	Date of Issue	Topic	Current Status	Notes
E/03	16/06/03	Proposed changes to Connection Conditions CC.6.3.3 in respect of operation at frequencies below 49.5 Hz.	Report with Authority	Report sent to Authority on 16 <sup>th</sup> December 2003.
C/04v2	23/11/04	Proposed Changes to Grid Code OC8 Associated with Management of Safety Keys and Other Housekeeping Changes	Report with Authority	Version 2 Consultation sent on 23 November 2004. Replies requested for 17 December. Report sent to Authority on 22 <sup>nd</sup> February 2005.
H/04	24/06/04	Proposed Grid Code changes to incorporate new generation technologies and DC Interconnectors (Generic Provisions)	Implemented 1 <sup>st</sup> June 2005	Supersede Consultation D/03. Responses required by 21/07/04. 14 responses received, 10 from manufacturers, trade association, consultant and renewable energy company. Report sent to Authority 27/08/04. Ofgem approved proposed changes on 27 <sup>th</sup> May 2005.
A/05	19/01/05	Grid Code changes consequential to CUSC Amendment Proposal CAP076 – Treatment of System to Generator Intertripping Schemes	Approved for Implementation – 15 <sup>th</sup> July 2005	Responses required by 16 February 2005. Ofgem approved proposed changes on 10 <sup>th</sup> June 2005.