

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 Friday, 29th July 2005. The following amendment proposals were discussed at the meeting:

- CAP096 – Revisions Resulting from Interconnector Separation
 - Panel agreed CAP096 should proceed straight to industry consultation.
- CAP097 – Revision to the Contractual Requirements for Small and Medium Embedded Power Stations under 6.5
 - Panel agreed CAP097 should be considered by a Working Group
- CAP098 – Reassessment of Suppliers Value at Risk
 - Panel agreed CAP098 should be consider by a Working Group
- CAP099 – Incorporation of Additional Credit Management Tools
 - Panel agreed CAP099 should be considered by a Working Group
- CAP100 – Revision of CUSC Amendment Provisions to ensure that Amendment Reports contain a collective CUSC Panel Recommendation
 - Panel agreed CAP100 should be considered by the Governance Standing Group
- CAP101 – Removal of the Amendments Panel Chairman's Casting Vote – in context of Amendments Panel Recommendation Vote.
 - Panel agreed CAP101 should be considered by the Governance Standing Group
- CAP102 – Revisions 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.
 - Panel agreed CAP100 should be considered by the Governance Standing Group
- CAP103 – Flexibility of Working Group Internal Procedures.
 - Panel agreed CAP100 should be considered by the Governance Standing Group

Consultation Documents

- CAP088 (Application of late payments of Commercial Debts (Interest) Act 1998)
 - The consultation opened on 05/08/05 and closed on 02/09/05.
- CAP095 (Removal of Operational Day Reference from Ex-Post Publication of Response Information)
 - The consultation opened on 06/07/05 and closed on 5/08/05. Comments on the draft Amendment Reports are to be submitted by 18th August 2005.

Next Amendments Panel meeting is scheduled for 25th August 2005. Two new amendments will be submitted at the meeting for review:

- CAP104 – Amendment to System to Generator Inter-trip related terms concurrently defined in the Grid Code and the CUSC
 - Submitted by National Grid
- CAP105 – Change of Company Name for National Grid Company plc (NGC)
 - Submitted by National Grid

BSC

BSC Panel Meeting - 11 August 2005

The Panel confirmed the recommendation that P188 Revision of Credit Default Provisions should be made.

The following new modifications were also considered:

P191 Revised definition of BM Unit to include Power Park Module. This Modification Proposal raised by RWE NPower proposes the inclusion of a definition in the BSC to reflect the meaning in the Grid Code of Power Park Module. The modification has been submitted to a two month Assessment Procedure.

P192 Change of name of the Transmission Company. This Modification Proposal provides an amendment to the definition of Transmission Company in the BSC to align with the new legal name of the company. The modification has been submitted to the Report Phase with a provisional recommendation that the Modification should be made.

Pricing Standing Modification Group (PSMG)

Issue 18 covering "Sleeper" Bids was submitted by Opus Energy to the PSMG on 11 August. Parties operating in the Balancing Mechanism currently have the ability to submit Bids with negative values up to -£99,999.

The term 'sleeper' Bids has been used to describe Bids with high negative prices (-£10,000 or below). If accepted, such Bids could have a significant impact on Energy Imbalance Prices and the System Operator BM Cashflow (consequently impacting Balancing Services Use of System Charging). Issue 18 seeks to consider the potential impact of 'sleeper' Bids, in particular where balancing actions are taken outside of the normal operation of the market.

Grid Code

An extraordinary meeting of the GCRP took place on 20th July. At the meeting the following items were discussed/debated by the review panel.

Licence Exempt Embedded Medium Power Stations (LEEMPS)

The GCRP LEEMPS Working Group final report was discussed. The working group had agreed that an industry wide consultation should be initiated based on Option 2 of the various alternatives. With this the Grid Code places an obligation on the DNO to ensure that the Generator complies with relevant Grid Code obligations. There would be corresponding changes to the Distribution Code. The Consultations are expected to be sent out on 22nd or 23rd August 2005 for a six week consultation period.

Generating Plant performance under severe system disturbance conditions (Plant Resilience)

Following a User survey initiated by NGC to gather data on plant resilience in the event of system disturbances as have occurred in other countries, Users expressed concern that the survey had not been discussed at the GCRP before being circulated widely, given the substantial effort and resources required to gather the required data.

It was agreed that a working group should be set up to consider a more appropriate approach to the survey.

Regional Differences

The GB Grid Code contains many obligations and definitions that vary on a regional basis. A working group has been set up to consider these with priority being given in the first instance to the definitions of Small/Medium/Large Power Stations. The first meeting is in early September.

Grid Code GC.15 extension

This is associated to some extent with Regional Differences. GC.15 dis-applies certain Grid Code obligations with respect to EELPS until March 2006 recognising that at BETTA go live it was not practical to expect all Users potentially affected by the BETTA changes to be able to comply with the Grid Code or even demonstrate compliance. This enables National Grid to effectively issue temporary derogations in this respect. To ensure that there is sufficient time to carry out the necessary reviews it is proposed to extend this date to March 2007. A consultation has been issued.

Company Name Change

References to NGC in the Grid code need to be changed to NGET as a result of shareholders agreeing to the Company name change. A consultation has been issued.

Charging

Next meeting of 'CHUG' is scheduled for 9th September 2005.

Use of System Charging Methodology Consultation GBECN01 – Negative Demand Tariffs was issued on the 3rd August, the closing date for responses is 31st August 2005.

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 17th August 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 29th July 2005

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

CA014

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

Proposer	NGC	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.

CA013

TEC Exchange Rate Request Process

Proposer	NGC	Submitted	18/05/05	Submitted	Normal
				Priority	

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.

STC AMENDMENT REGISTER – AS AT 29th July 2005

CA012		STC – Table of Contents			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
Insert Heading I14 and associated wording in the Table of Contents Document.		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 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
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.					
CA011		STC – Table of Contents			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
Insert Heading G20 and associated wording in the Table of Contents Document.		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 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
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.					
CA010		Schedule 3 – Amendment to paragraph 2.5.1			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
Amending incorrect terminology within Schedule 3, paragraph 2.5.1					

STC AMENDMENT REGISTER – AS AT 29th July 2005

CA009		Schedule 3, – Amendment to Paragraph 2.3.2 – Incorrect cross referencing			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description	Current status and progress				
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.				
Reference to sub-paragraphs 2.4.6 (a) – (g) will be corrected to read 2.4.7 (a) to (g).					
CA008		Schedule 3 – Amendment to paragraph 2.1.3 (a)			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description	Current status and progress				
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.				
Amending incorrect terminology within Schedule 3, paragraph 2.1.3 (a).					
CA007		Section I, Paragraph 13.1 – Correction of sub-paragraph numbering			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description	Current status and progress				
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.				
Correction of sub-paragraph numbering of Section I, Paragraph 13.1					

STC AMENDMENT REGISTER – AS AT 29th July 2005

CA006		Section G, paragraph 18.1 – removal of obsolete text.			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
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.					
CA005		Section J – New Definitions			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
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. The Proposed Amendment Report was issued on 9 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
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.					
CA004		Section I, Paragraph 1.2, Correction of Typing Error			
Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
Amendment Description		Current status and progress			
Section I, Paragraph 1.2 finishes with an end bracket “)” instead of full stop”.”.		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 th May 2005 and comments requested by 16 th May 2005. The Committee agreed the Amendment Report on 25 th May 2005. The Amendment Report was submitted to Ofgem on 27 th May 2005. Ofgem approved Amendment Proposal on 1st July, the change was implemented on 7th July 2005.			
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.					

STC AMENDMENT REGISTER – AS AT 29th July 2005

CA003

Introduction of Version Control

Proposer	NGC	Submitted	12/04/05	Submitted Priority	Normal
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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	NGC	Submitted	12/04/05	Submitted Priority	Normal
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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.**

STC AMENDMENT REGISTER – AS AT 29th July 2005

CA001

Section J, Paragraph 1.1 – Correction of Referencing Error

Proposer NGC

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.

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.

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.

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.

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

CAP095 Removal of Operational Day Reference from Ex Post Publication of Response Information

Proposer National Grid

Submitted 15/06/05

**Submitted
Priority** Normal

Amendment Description

CAP095 will align the timeframes for the publication of ex ante and ex post information on mandatory frequency response on a calendar basis in preparation for the implementation of CAP047 on 1st October 2005.

Current status and progress

The Panel agreed that CAP095 should go straight to industry consultation.
The Consultation opened on 06/07/05 and will close on 5/08/05.

CAP094 Limited Duration Transmission Entry Capacity

Proposer First Hydro

Submitted 15/06/05

**Submitted
Priority** Normal

Amendment Description

CAP094 seeks to introduce a new access product – Limited Duration Transmission Entry Capacity (LDTEC). The current access products do not embrace circumstances where TEC is available for the remainder of the financial year but NGC is not able to grant enduring TEC because of the time taken to analyse a proposal or future rights not being available. The new product would also extend to circumstances where the generator only requires TEC for the remainder of the financial year and does not require enduring TEC rights.

Current status and progress

The Panel agreed that CAP094 should be considered by a Working Group reporting back to the August Panel.

CAP093 Enabling the Flow of Electricity From Distribution Systems Into the Transmission System at Grid Supply Points

Proposer Central Networks

Submitted 15/06/05

**Submitted
Priority** Normal

Amendment Description

CAP093 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.

Current status and progress

The Panel agreed that CAP093 should be considered by a Working Group reporting back to the September Panel.

CAP092 Consistent Generation Use of System Charge Liability Provisions for Transmission Access Products.

Proposer e.on

Submitted 15/06/05

**Submitted
Priority** Normal

Amendment Description

CAP092 seeks to cap the charges payable for STTEC and/or TEC in any one financial year to that which would have been paid for TEC alone. The proposer argues that paying more for tranches of STTEC compared to what would have been paid in annual TEC charges is an unintended consequence of the introduction of the product. The proposer argues that this gives rise to discrimination and thus adverse effects on competition.

Current status and progress

The Panel agreed that CAP092 should be considered by a Working Group reporting back to the August 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.

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.

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%.

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.

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.

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.

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.

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.

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.

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.

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.

BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

12/08/2005

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			

BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

12/08/2005

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			

BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

12/08/2005

P 190				
Removal of witnessing and sealing service obligation on CDCA				
Proposer	Organisation	Modification Description	Current progress	Current Status
Lorna Short	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
02/06/2005				
NORMAL				Status update
October 2005				26-Jul-05
SSMG				

P 189				
Clarification to Fulfil the Intent of P174				
Proposer	Organisation	Modification Description	Current progress	Current Status
Steve Drummond	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
23/05/2005				
NORMAL				Status update
July 2005				26-Jul-05
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.	At its meeting of 11 August 2005 the BSC Panel determined that the P188 final Modification Report be submitted to the Authority with a recommendation that the Proposed should be made with an Implementation Date of 27 June 2006 if the Authority decision is received on or before 21 December 2005, or 8 November 2006 if the Authority decision is received after 21 December 2005, but on or before 3 May 2006;	Final Report
Raised	03/05/2005			Status update
Process	NORMAL			12-Aug-05
Authority Report Date	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			

BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

12/08/2005

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 – 17th August 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	Report to Authority in Preparation.	Responses required by 15 July, extended to 22 July. Six responses received, Three with objections. Replies sent. Report to be sent to Authority Late August.
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.
Licence Exempt Embedded Medium Power Stations D/05	BG	MD	High	Consultation in preparation.	Working Group report to be discussed at 20 July EGCRP. Consultation to be sent 22 August for six weeks.
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	Report to Authority in preparation.	Consultation sent 29 July. Responses required 15 August. Few received all supporting. Expect to send Report to Authority w/c 22 August.

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	Consultation sent 2 August	Responses required 26 August. Expect to send Report to Authority w/c 5 September.