



*Promoting choice and  
value to customers*

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2 March 2009

Dear Alison,

**Request for Urgency in relation to Code Amendment Proposal CAP170: Category 5 System to Generator Operational Intertipping Scheme.**

Thank you for your email to Dipen Gadhia, dated 27 February 2009, containing the Panel's recommendation that CAP170 should be treated as an Urgent Amendment Proposal.

**Characteristics of Urgent Amendments**

Our view is that, in general, urgent amendments are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGET, industry parties, or customers if an Amendment Proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed Amendment is not urgent; and
- The proposal is linked to an imminent date related event.

**Applying these characteristics to CAP170**

CAP 170 was raised by National Grid and would introduce a fifth category of operational intertrip. Intertrips are used by National Grid to manage constraints, and in its view offer a more economic and efficient means for managing constraints than the alternative Bid-Offer action to constrain generation.

From April 2009 and over the forthcoming summer period, there is the potential for National Grid (and ultimately consumers) to incur significant costs associated with the management of constraints on National Grid's transmission system. This modification proposes changing the arrangements by which National Grid manage constraints at derogated, non-compliant transmission system boundaries and has the potential to impact on the level of costs incurred over this period. Given the proximity of the summer constraint period, we consider that this proposal merits urgent status.

## Our decision on Urgency

Ofgem therefore agrees with the CUSC Panel and consents to CAP170 being treated as an Urgent Amendment Proposal for the purposes of section 8.21.1.5 of the CUSC.

## Urgency Timetable

We appreciate and have taken on board the CUSC Panels views with respect to the timetable. However we consider the amendment needs to be submitted to us under a slightly more constrained timetable to that recommended by the Panel. We therefore direct the following timetable.

Process	Date
Amendment submitted to Company Consultation	03/03/09
Close of Company Consultation	13/03/09
Draft Amendment Report circulated to Industry	18/03/09
Panel undertake Recommendation Vote	23/03/09
Final Amendment Report submitted to the Authority	25/03/09

Ofgem has not, by consenting to the request that CAP170 be treated as an Urgent Amendment Proposal, made any judgement on its merits.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the number above.

Yours sincerely



**Mark Feather**

**Director, Industry Codes & Licensing**

Signed on behalf of the Authority and authorised for that purpose by the Authority