



**PROGRESS REPORT ON
PROPOSED AMENDMENTS TO THE SYSTEM
OPERATOR – TRANSMISSION OWNER CODE**

May 2006

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ANNEX 1 - STC AMENDMENT REGISTER AS AT 1st June 2006

1 INTRODUCTION

This Progress Report is prepared in accordance with Section B, Paragraph 7.2.8 of the STC and provides inter alia, details of current Amendment Proposals and matters arising during the preceding month together with details of key decisions made at the STC Committee meeting held on 17th May 2006 regarding the prioritisation and timetabling of Amendment Proposals.

2 DETAILS OF AMENDMENT PROPOSALS REFUSED

This section details Amendment Proposals refused by the Committee Secretary or by the STC Committee (in accordance with Section B, Paragraph 7.2.2.2 of the STC).

- None

3 NEW AMENDMENT PROPOSALS

- None

4 AMALGAMATIONS

This section contains details of any decision of the STC Committee to amalgamate Amendment Proposals in accordance with Section B, Paragraph 7.2.3.1 of the STC.

- None.

5 SCHEDULING AND TIMETABLES

This section of the Progress Report is intended to give a high level timetable for each Amendment Proposal in progress. Specific milestone dates and key phase dates will be entered when the information is available. The shaded area is intended to show progress up to present.

| Ref. | TITLE | Presented at STC Committee Meeting | Evaluation Phase Concluded | Proposed Amendment Report Approved | Proposed Amendment Report Published | Consultation Period Concluded | Amendment Report Submitted to Authority | Authority Determination | Date of Implementation | Comments on changes, slippages and impact on implementation date |
|-------|--|--|-------------------------------|---|--|----------------------------------|---|----------------------------|---------------------------|---|
| CA021 | Exchange of Certain Investment Planning Data | 18/04/06 | 17/05/06 | | | | | | | CA021 Exchange of Certain Investment Planning Data was proposed by National Grid and was discussed at the 18 th April 2006 STC Committee meeting. The Committee decided to take forward CA021 to the Evaluation Phase. A meeting was held on 8th May 2006 to discuss further. The Committee AGREED at the 17th May 2006 meeting that the Evaluation phase was complete for CA021 and a Proposed Amendment Report should be drafted. |
| CA020 | GB Transmission System Performance Reporting | 22/03/06 | 18/04/06 | 17/05/06 | 22/05/06 | | | | | CA020 GB Transmission Performance Reporting was proposed by SPTL and discussed at the March 2006 STC Committee meeting. The STC Committee decided for CA020 to go forward to the Evaluation phase. A teleconference took place on 11 th April 2006 to discuss the legal text. At the 18 th April 2006 STC Committee meeting the Committee AGREED for CA020 to move to Assessment and Report Phase. The report was circulated and Committee members had no further comments on the Proposed Amendment Report. The Committee therefore AGREED for CA020 to be issued for Industry Consultation for 10 business days. |

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| Ref. | TITLE | Presented at STC Committee Meeting | Evaluation Phase Concluded | Proposed Amendment Report Approved | Proposed Amendment Report Published | Consultation Period Concluded | Amendment Report Submitted to Authority | Authority Determination | Date of Implementation | Comments on changes, slippages and impact on implementation date |
|-------|---|--|-------------------------------|---|--|----------------------------------|---|----------------------------|---------------------------|---|
| CA019 | Assessment of the Impact of Certain Embedded Power Stations | 21/02/06 | 01/03/06 | 03/04/06 | 04/04/06 | 20/04/06 | 27/04/06 | | | CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report. A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006. |
| CA018 | Removal of the Restriction on Proposing Alternative Amendments | 21/02/06 | N/A | 22/03/06 | 23/03/06 | 06/04/06 | 19/04/06 | 31/05/05 | 07/06/06 | CA018 Removal of the Restriction on Proposing Alternative Amendments was discussed at the February Committee. The Committee decided that CA018 could proceed to the Assessment & Report Phase. At the March Committee meeting the Committee decided the Proposed Amendment Report to be sent for consultation for 10 business days. Consultation closed on 6th April 2006. No industry responses received. At the STC Committee meeting on 18th April 2006 the Committee decided to submit to the Authority for determination. Amendment Report Submitted to Authority on 19th April 2006. Authority approved CA018 on 31 st May 2006. |

STC Amendments Progress Report
May 2006

| Ref. | TITLE | Presented at STC Committee Meeting | Evaluation Phase Concluded | Proposed Amendment Report Approved | Proposed Amendment Report Published | Consultation Period Concluded | Amendment Report Submitted to Authority | Authority Determination | Date of Implementation | Comments on changes, slippages and impact on implementation date |
|-------|---|--|-------------------------------|---|--|----------------------------------|---|----------------------------|---------------------------|--|
| CA017 | Assessment of the Impact of Certain Embedded Power Stations | 20/12/05 | 01/03/06 | 03/04/06 | 04/04/06 | 20/04/06 | 27/04/06 | | | CA017 was presented and discussed at the December Committee Meeting. The Committee decided that CA017 should proceed to the Evaluation Phase. The working group met on 09/01/06, 01/02/06 and 15/02/06 in order to discuss & develop legal text. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report. A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006. |
| CA016 | Modification Applications in Respect of Certain Embedded Power Stations | 20/12/05 | 01/03/06 | 03/04/06 | 04/04/06 | 20/04/06 | 27/04/06 | | | CA016 was presented and discussed at the December Committee Meeting. The Committee decided that CA016 should proceed to the Evaluation Phase. The working group met on 09/01/06, 01/02/06 and 15/02/06 in order to discuss & develop legal text. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report. A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006. |

6 AUTHORITY DECISIONS

- The Authority has decided to direct an Amendment to the STC in line with Proposed Amendment CA018 as detailed in the Amendment Report. The decision letter was received by National Grid on 31st May 2006.
- Proposed implementation date will be 5 business days after the Authority's decision (7th June 2006).

ANNEX 1
STC AMENDMENT REGISTER – AS AT 1st June 2006

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

CA021

Exchange of Investment Planning Data

| | | | | | |
|-----------------|---------------|------------------|----------|-------------------------------|--------|
| Proposer | National Grid | Submitted | 11/04/06 | Submitted Priority | Normal |
|-----------------|---------------|------------------|----------|-------------------------------|--------|

Amendment Description

This amendment proposes changes to paragraph 2.4.3 (and 2.4.2) of Schedule 3 of the STC to allow Parties to disclose specific data to Transmission Owners on an enduring basis for the purposes of transmission investment planning, specifically stability studies.

The current provisions of paragraph 2.4.3 of Schedule 3 will expire on 30 September 2006. However, in the view of the proposer, there is a continuing need for this data to be provided to enable all Parties to meet their Licence obligations. It is therefore proposed that this data exchange is made permanent, but that the relevant sections of Schedule 3 are made more specific about the data that can be disclosed.

Current status and progress

CA021 Exchange of Certain Investment Planning Data was proposed by National Grid and was discussed at the 18th April 2006 STC Committee meeting. The Committee decided to take forward CA021 to the Evaluation Phase. A meeting was held on 8th May 2006 to discuss further. **The Committee AGREED at the 17th May 2006 meeting that the Evaluation phase was complete for CA021 and a Proposed Amendment Report should be drafted.**

CA020

GB Transmission System Performance Reporting

| | | | | | |
|-----------------|------|------------------|----------|-------------------------------|--------|
| Proposer | SPTL | Submitted | 14/03/06 | Submitted Priority | Normal |
|-----------------|------|------------------|----------|-------------------------------|--------|

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the development of a statement by which the GB Transmission System performance can be measured and for the production of the associated report. The production of the statement and the report are licence requirements on National Grid. It is a licence requirement on the TOs that they provide assistance to National Grid in the production of the report.

The proposed amendment is based upon existing STC processes by which the Transmission Licensees co-operate to produce the Seven Year Statement.

Current status and progress

CA020 GB Transmission Performance Reporting was proposed by SPTL and discussed at the March 2006 STC Committee meeting. The STC Committee decided for CA020 to go forward to the Evaluation phase. A teleconference took place on 11th April 2006 to discuss the legal text. At the 18th April 2006 STC Committee meeting the Committee AGREED for CA020 to move to Assessment and Report Phase. **The report was circulated and Committee members had no further comments on the Proposed Amendment Report. The Committee therefore AGREED for CA020 to be issued for Industry Consultation for 10 business days.**

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STC AMENDMENT REGISTER – AS AT 1st June 2006

CA019

Assessment of the Impact of Certain Embedded Power Stations

| | | | | | |
|-----------------|------|------------------|----------|-------------------------------|--------|
| Proposer | SPTL | Submitted | 20/02/06 | Submitted Priority | Normal |
|-----------------|------|------------------|----------|-------------------------------|--------|

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. SPTL is also proposing an Alternative Amendment to CA019, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

CA018

Removal of the Restriction on Proposing Alternative Amendments

| | | | | | |
|-----------------|---------------|------------------|----------|-------------------------------|--------|
| Proposer | National Grid | Submitted | 14/02/06 | Submitted Priority | Normal |
|-----------------|---------------|------------------|----------|-------------------------------|--------|

Amendment Description

This Amendment Proposal seeks to remove from the STC the restriction that each Party may only propose one Alternative Amendment. Paragraph 7.2.2.8 of Section B of the STC currently limits Parties to proposing only one Alternative Amendment. This has proved to be overly restrictive, particularly when developing STC amendments to “back-off” CUSC amendment proposals, which may contain a greater number of Alternatives.

Current status and progress

CA018 Removal of the Restriction on Proposing Alternative Amendments was discussed at the February Committee. The Committee decided that CA018 could proceed to the Assessment & Report Phase. At the March Committee meeting the Committee decided the Proposed Amendment Report to be sent for consultation for 10 business days.

Consultation closed on 6th April 2006. No industry responses received. At the STC Committee meeting on 18th April 2006 the Committee decided to submit to the Authority for determination. Amendment Report Submitted to Authority on 19th April 2006. **Authority approved CA018 on 31st May 2006. Implementation date is 7th June 2006.**

ANNEX 1
STC AMENDMENT REGISTER – AS AT 1st June 2006

CA017

Assessment of the Impact of Certain Embedded Power Stations

| | | | | | |
|-----------------|---------------|------------------|----------|-------------------------------|--------|
| Proposer | National Grid | Submitted | 13/12/05 | Submitted Priority | Normal |
|-----------------|---------------|------------------|----------|-------------------------------|--------|

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA017, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

CA016

Modification Applications in Respect of Certain Embedded Power Stations

| | | | | | |
|-----------------|---------------|------------------|----------|-------------------------------|--------|
| Proposer | National Grid | Submitted | 13/12/05 | Submitted Priority | Normal |
|-----------------|---------------|------------------|----------|-------------------------------|--------|

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the original CUSC Amendment Proposal CAP097 (as proposed by National Grid), which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA016, which would facilitate the revised process proposed by both the CAP097 Working Group Alternative Amendment 2 and the CAP097 Consultation Alternative Amendment 3 proposed by SP Transmission & Distribution.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

ANNEX 1
STC AMENDMENT REGISTER – AS AT 1st June 2006

CA013

TEC Exchange Rate Request Process

| | | | | | |
|-----------------|---------------|------------------|----------|-------------------------------|--------|
| Proposer | National Grid | Submitted | 18/05/05 | Submitted Priority | 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. STC Parties to provide their impact and assessment analysis by 5th August 2005. Outstanding impact and assessment analysis to be submitted by 2nd September. STC Committee agreed the content and format of the Proposed Amendment Report at September's Committee Meeting. Proposed Amendment Report circulated to the industry for comment on 27th September 2005. Responses to be received by 11th October 2005. Draft version of Amendment Report to be present to STC Committee Meeting in October for review/comment/approval. The Amendment Report was submitted to Ofgem on 20th October 2005. Authority approved CA013 on 1st December, for implementation on 8th December 2005.