



AMENDMENT REPORT VOLUME 2

CUSC Amendment Proposal CAP173 Reactive Power Market Tender Process

This document contains consultation responses

Amendment Ref	CAP173
Issue	1.0
Date of Issue	15 th October 2009
Prepared by	National Grid

ANNEX 1 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of representations received following circulation of the consultation document on 13th August 2009, requesting comments by close of business on 3rd September 2009.

Representations were received from the following parties:

No.	Company	File Number
1	EDF Energy	CAP173-CR-01
2	ScottishPowers's Energy Wholesale Business which includes ScottishPower Generation Ltd, Scottish Power Energy Management Ltd and ScottishPower Renewable Energy Ltd	CAP173-CR-02
3	RWE group of companies including RWE Npower plc, RWE Supply and Trading GmbH and RWE Innogy	CAP173-CR-03
4	E.ON UK	CAP173-CR-04



To: cusc.team@uk.ngrid.com

EDF Energy response to CUSC Amendment Proposal (CAP) 173: Reactive Power Market Tender Process

EDF Energy welcomes the opportunity to respond to this consultation. We agree with the proposed changes to the reactive power market tender process as described in CAP173 and make the following further comments.

We support the proposed reduction in assessment tender timescales from 10 weeks to five weeks and note that the drafting of the CUSC allows for tender assessment to be completed within this time period.

We agree that these proposals improve the efficiency of the tender assessment process and that this will better facilitate applicable CUSC objectives (a) and (b) however this does not necessarily imply that risks to both the provider and National Grid will be reduced for the duration of any reactive power market contract.

National Grid indicated in their final proposals document following the tender process review that the new service format would be implemented for Tender Round 26 for which Market Day is in May 2010. On this basis we agree with the proposed implementation date as described in the CAP173 consultation document and believe that should implementation fall within a tender round the new timetable should only apply to the next tender round.

If you have any queries regarding this response, please contact me on 01452 656370.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'L Schmitz'.

Louise Schmitz
Senior trading consultant, Corporate Policy & Regulation

Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid
National Grid House
Warwick Technology Park
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CV34 6DA

Ref CAP173
Date 2nd September 2009

Tel No. 01355 845207
Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Amendment Proposal CAP173 - Reactive Power Market Tender Process

Thank you for the opportunity to comment on the Consultation for Amendment Proposal CAP173. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and ScottishPower Renewable Energy Ltd.

ScottishPower support the proposed changes to the Reactive Power Market Tender Process. ScottishPower agree that timescales of the current process is overly long and the suggested reduction is more reasonable and would facilitate better competition as well as potentially reducing risks to all concerned.

I hope you find these comments useful. Should you have any queries on the points raised, please feel free to contact us.

Yours sincerely

Man Kwong Liu



For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and ScottishPower Renewable Energy Ltd.

Bali Virk
Electricity Balancing and Codes
National Grid Electricity Transmission plc
National Grid House
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CV34 6DA

Contact Bill Reed
Phone Phone 01793 893835
Email bill.reed@rwe.com

Swindon, 3rd September 2009

Email: cusc.team@uk.ngrid.com

Consultation Document CUSC Amendment Proposal CAP173 Reactive Power Market Tender Process

Dear Bali

Thank you for the opportunity to comment on the consultation document on CUSC Amendment Proposal CAP173 Reactive Power Market Tender Process. This response is provided on behalf of the RWE group of companies, including RWE Npower plc, RWE Supply and Trading GmbH and RWE Innogy.

We support the views expressed by National Grid in the consultation document and consider that CAP173 will better facilitate the competition in the reactive power market. Consequently we support implementation of CAP173.

If you wish to discuss our response, please do not hesitate to contact me.

Yours sincerely

By email

Bill Reed,
Market Development Manager
RWE Supply & Trading GmbH

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Paul Jones
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3 September, 2009

Dear Bali,

CAP173 – Reactive Power Market Tender Process

Thank you for the opportunity to respond to the above consultation. E.ON UK supports the amendment proposal.

Our reasons for support are similar to those expressed in our response to the tender review, namely:

- We agree that the current timescales are too long.
- Reducing the assessment timescales will assist with the accuracy of contract prices, which will help reduce risk to the service provider.
- The tender preparation timescales could be reduced to 4 weeks.

Yours sincerely

Paul Jones
Trading Arrangements

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ANNEX 2 – REPRESENTATIONS RECEIVED ON THE DRAFT AMENDMENT REPORT

No representations were received following circulation of the Draft Amendment Report.