

AMENDMENT REPORT

STC Proposed Amendment CA013 TEC Exchange Rate Request Process

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CA013

Amendment Ref	CA013
Issue	
Date of Issue	
Prepared by	STC Committee

Issue:

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
0.1	13/09/05	STC Committee	Draft for STC Committee
0.2	23/09/05	STC Committee	Revised draft for STC Committee
1.0	27/09/05	STC Committee	Draft for Industry Consultation
2.0			Formal version for submission to Authority

b Document Location

National Grid Website:

<http://www.nationalgrid.com/uk/indinfo/stc>

Draft

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
STC Parties	Various
Interested Parties	Various
Core Industry Document Owners	Various
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1 SUMMARY AND RECOMMENDATION

- 1.1.1 STC Amendment Proposal CA013 proposes that the STC be modified to clarify the process to be followed and the obligations on National Grid and each Transmission Owner (TO) under the STC to jointly liaise in the preparation of a TEC Exchange Rate.
- 1.1.2 Amendment Proposal CA013 was proposed by National Grid and submitted for consideration to the STC Committee Meeting on Wednesday, 25th May 2005.
- 1.1.3 The STC Committee has discussed the Proposed Amendment CA013 and has recommended that it proceed to the Assessment and Report Phase.

1.2 STC Committee Recommendation

- 1.2.1 The STC Committee recommends that CA013 be approved for implementation.
- 1.2.2 Should the Authority approve Amendment Proposal CA013 it is recommended that the STC be modified 5 business days after the Authority's decision.

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2 PURPOSE AND SCOPE OF THE REPORT

- 2.1.1 This Proposed Amendment Report has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code (STC) as designated by the Secretary of State. It addresses issues relating to the introduction of a TEC Exchange Rate request Process into the STC.
- 2.1.2 Further to the submission of Amendment Proposal CA013 (see Annex 1), and the subsequent wider industry consultation that was undertaken by the STC Committee, this document is addressed and furnished to the Gas and Electricity Markets Authority (“the Authority”) in order to assist them in their decision whether to implement Amendment and invites views upon Amendment Proposal CA013.
- 2.1.3 This document outlines the nature of the changes that are proposed. It incorporates STC Committee’s recommendations concerning the Amendments.
- 2.1.4 This Amendment Report has been prepared in accordance with the terms of the STC. An electronic copy can be found on the National Grid Industry Information website, at <http://www.nationalgrid.com/uk/indinfo/stc>

3 THE PROPOSED AMENDMENT

3.1 The Proposed Amendment

- 3.1.1 The Authority approval, effective 1st April 2005, of CAP068 Alternative Amendment – Competing Requests for TEC, introduced the concept of Transmission Entry Capacity (TEC) Trading amongst CUSC Parties. This has enabled CUSC Parties to trade TEC subject to National Grid approval. To facilitate this process CUSC Parties may submit to National Grid an Exchange Rate Request. This requires National Grid to calculate (within 3 months of receipt) an Exchange Rate that would apply should one CUSC Party apply to decrease its TEC and another CUSC Party jointly apply to increase its TEC. Following the calculation of an Exchange Rate the CUSC Parties may then choose to proceed with the proposed TEC Trade, with any changes to the relevant Bilateral Agreements becoming effective at the following 1st April.
- 3.1.2 To clarify the process should one or both counterparties to a TEC Trade be sited in the licensed area of either SP Transmission Ltd or Scottish Hydro Electric Transmission Ltd, or potentially within the boundary of influence of either TO, will require an addition to the STC. This issue has been discussed between the STC Parties at the Investment Planning User Group (IPUG) and changes to the SO-TO Code Procedure (STCP) that governs TEC Changes (STCP18-3) have been drawn up and are due to be submitted to the STC Committee at a later date for approval.
- 3.1.3 Due to the governance hierarchy within the STC a change to a STCP may only be made provided it does not introduce new obligations upon a STC Party that are not already within the main body of the STC. Therefore in the case of the changes to STCP18-3 a further change to the STC is required in order to clarify the processes and obligations on Parties with regard to TEC Exchanges before the amendment to the STCP is effected. For this reason CA013 has been proposed by National Grid.
- 3.1.4 The legal text attached to this report to give effect to the Proposed Amendment is largely based upon the original text supplied with CA013 although some changes have been made in certain areas. In summary these are:
- To clarify the circumstances under which a TO would receive a National Grid Exchange Rate Request.
 - To clarify the information that would be provided to a TO alongside a National Grid Exchange Rate Request.
 - To clarify the information required to be submitted to National Grid by a TO in response to a National Grid TEC Exchange Rate Request.
- 3.1.5 The process as drafted is as follows. It is included in flow chart form at Annex 2 to this paper. The legal text developed by the Parties is also attached at Annex 3 to this paper.

- 3.1.6 National Grid upon receipt of a TEC Exchange Rate Request from a User would identify which TOs would be impacted by the TEC Exchange Request. This would automatically include those TOs who have the Increasing User or Decreasing User (or both) connected either to a TO Transmission System or in the Boundary of Influence (BoI) of a TO Transmission System. It would also include those cases where potential exchange rate applicants are sited outside of a TOs BoI or Transmission System, but where if an Exchange Rate were to go ahead where flows across that TO System would be affected¹.
- 3.1.7 After identifying the affected TOs National Grid would then forward them information relating to the National Grid Exchange Rate Request. This would be at a more detailed level for the cases where the Increasing User or Decreasing User was sited within a TOs Transmission System or BoI. Where this is not the case the data would be provided at a higher level for the User(s) that are sited outside of the TO's Transmission System or BoI. In the latter case National Grid would provide only the MW increase and or decrease being applied for and the identity of the STC Party within whose Transmission System the Increasing User or Decreasing User is sited within. Note here that such information would be available to the TO through the existing STC processes that allow for the resubmission of Planning Assumptions to the TO. Its inclusion within the TEC Exchange Process changes ensures that any likely future changes are highlighted to all Parties in a clear and transparent manner.
- 3.1.8 Following receipt of a National Grid Exchange Rate Request it is anticipated that a TO will provide National Grid with a TO TEC Exchange Rate unless otherwise agreed with National Grid. It is anticipated that the general principles associated with the provision of a TO TEC Exchange Rate can be detailed within the STCP 18-3 drafting that is to complement the STC drafting for CA013. It is anticipated that the STCP drafting will be based upon the following high level principles:
- Where the TO has the Increasing User sited within its Transmission System or BoI the TO shall be expected to provide National Grid with an Exchange Rate (regardless of whether the Decreasing User is situated within the same TO's Transmission System or BoI).
 - Where the TO has the Decreasing User in its System but is otherwise unaffected by the Increasing User, the TO would not normally be required to provide a TO Exchange Rate. The TO may however choose to do so.
 - Where the TO receives a TO TEC Exchange Rate request from National Grid despite either the Increasing User or Decreasing User not being within its Transmission System or BoI, whether the TO should provide a TO TEC Exchange Rate to National Grid would be decided at the time of submission of a National Grid TEC Exchange Rate Request by National Grid to the TO.

4 ALTERNATIVE AMENDMENTS

- 4.1.1 No Alternative Amendments to CA013 have been submitted.

¹ For instance an Increasing User in an Exchange Rate Request may be sited north of SPT's BoI in the SHETL area with the Decreasing User sited south of the SPT BoI in the National Grid area. In this instance SPT's network would be affected by any potential change in power flows caused by the proposed TEC Exchange becoming effective and thus it is necessary for the potential for an Exchange Rate request to be highlighted to the TO.

5 EVALUATION PHASE

- 5.1.1 The STC Committee has considered the Proposed Amendment CA013 and believes that no further information is required in order that the Parties may assess the Proposed Amendments. The Evaluation Phase is therefore not required for Amendment Proposal CA013.
- 5.1.2 Notwithstanding the above, the Parties have discussed the draft legal text provided with the original Amendment Proposal for CA013 throughout the Assessment Phase of the Amendment Procedure. Through these discussions further refinements and clarifications to the legal text have been made and it is this legal text that forms the basis of the changes that are presented to the Authority for consideration. It should be noted that these refinements included the replacement of the term “NGC” with “NGET” throughout the legal text, following the implementation of CA014. The revised legal text is attached at Annex 3 to this report.

6 STC PARTIES' ASSESSMENTS

- 6.1.1 This Section contains a summary of the views and representations made by STC Parties during the Assessment Phase in respect of the Proposed Amendments, in accordance with Section B, Paragraph 7.2.5.2 of the STC.

6.2 *National Grid Electricity Transmission (National Grid) View*

- 6.2.1 National Grid is supportive of Amendment Proposal CA013. National Grid continue to believe that this modification would allow a User's rights under the CUSC with regard to an exchange of TEC to be more easily facilitated by both National Grid and each TO. Through this facilitation it would allow for TEC Exchanges that involve one or both joint TEC Exchange Rate Request Applicants that are situated either in the licensed area of or the boundary of influence of a TO to trade TEC. This would therefore remove potential uncertainty regarding the process by which such a TEC Trade may be performed when one or more applicant is sited in the licensed area of a TO. This would remove a potential barrier to such a TEC Trade and hence facilitate effective competition in the generation and supply of electricity.
- 6.2.2 With regard to the increased exchange of User Data that this Amendment Proposal would introduce into the STC, National Grid believes that such exchange is fully justified. The additional User Data that is to be exchanged is similar in nature to that which is already permitted to be exchanged by the existing procedures contained within the STC in relation to Construction Projects. Should the data not be permitted to be exchanged National Grid believes that it would not be able to efficiently discharge the obligations imposed upon it by virtue of being a transmission licensee by its Transmission License and the Act.

6.2.3 Also by explicitly including the preparation of a TEC Exchange Rate within the STC as an instance where information may be provided by an STC Party to a TO National Grid continues to believe that this would also clarify the rights and obligations with regard to such activities concerning the exchange of data. This would therefore aid the licensees in the efficient discharge of the obligations imposed upon transmission licensees by transmission licenses and the Act. By explicitly defining the process through which a TEC Exchange Rate should be calculated this would also ensure that a consistent approach is maintained upon each application. As a result any TEC Exchange Rates provided and any consequential TEC Trade would be in accordance with the development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission.

6.2.4 The implementation of the proposed amendment will not have any physical impact on National Grid's Transmission System or require changes to IS Systems. No additional works or monies will be required to implement the proposed changes.

6.3 Scottish Hydro-Electric Transmission Limited (SHETL) View

6.3.1 SHETL is supportive of Amendment Proposal CA013. SHETL have carried out an impact assessment on change proposal CA013 (TEC Exchange Rate Request Process).

6.3.2 The implementation of the proposed amendment will not have any impact on SHETL's Transmission System or IS Systems. No additional works or monies will be required to implement the proposed changes.

6.4 SP Transmission Limited (SPTL) View

6.4.1 SP is supportive of Amendment Proposal CA013. SPT have carried out an impact assessment on change proposal CA013 (TEC Exchange Rate Request Process).

6.4.2 The implementation of the proposed amendment will not have any impact on SPT's Transmission System or IS Systems. No additional works or monies will be required to implement the proposed changes.

7 IMPACT ON THE STC/STCPs

7.1.1 The Proposed Amendment would require amendment to Section D, Section J, Schedule 3, Schedule 11, and the introduction of a new Schedule 12.

7.1.2 The text required to give effect to the Proposed Amendment is contained at Annex 3 of this document.

8 IMPACT ON CORE INDUSTRY DOCUMENTS

8.1.1 The Proposed Amendment would have no impact on Core Industry Documents or other industry documentation or require any changes to computer systems established under Core Industry Documents.

9 STC COMMITTEE VIEWS & RECOMMENDATION

- 9.1.1 The STC Committee believes that amendment of the STC on the basis of CA013 would aid the efficient discharge of the obligations imposed upon Transmission Licensees by Transmission Licenses and the Act.
- 9.1.2 The STC Committee therefore recommends that the Authority should approve Amendment Proposal CA013 for implementation.

10 IMPLEMENTATION AND TIMESCALES

- 10.1.1 Should the Authority approve Amendment Proposal CA013 it is recommended that the STC be modified 5 business days after the Authority's decision.

11 VIEWS AND REPRESENTATIONS

- 11.1.1 Views were invited from industry parties upon the Amendment contained within the Proposed Amendment Report.
- 11.1.2 The STC Committee received 0 responses following the publication of the Proposed Amendment Report.

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Annex 1 – Amendment Proposal Form

STC Amendment Proposal Form

CA013

1. Title of Amendment Proposal

TEC Exchange Rate Request Process

2. Description of the Proposed Amendment *(mandatory field)*

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.

3. Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory field)*

The Authority approval effective 1 April 2005 of CAP068 Alternative Amendment – Competing Requests for TEC, introduced the concept of Transmission Entry Capacity (TEC) Trading amongst CUSC Parties. This has enabled CUSC Parties to trade TEC subject to NGC approval. To facilitate this process CUSC Parties may submit to NGC an Exchange Rate Request. This requires NGC to calculate (within 3 months of receipt) an Exchange Rate that would apply should one CUSC Party apply to decrease its TEC and another CUSC Party jointly apply to increase its TEC. Following the calculation of an Exchange Rate the CUSC Parties may then choose to proceed with the proposed TEC Trade, with any changes to the relevant Bilateral Agreements becoming effective at the following 1 April.

To clarify the process should one or both counterparties to a TEC trade be sited in the licensed area of either SP Transmission Ltd or Scottish Hydro Electric Transmission Ltd or potentially within the boundary of influence of either TO will require an addition to the STC. This issue has been discussed between the STC Parties at the Investment Planning User Group (IPUG) and changes to the SO-TO Code Procedure (STCP) that governs TEC Changes (STCP18-3) have been drawn up and are due to be submitted to the STC Committee at a later date for approval.

Due to the governance hierarchy within the STC a change to a STCP may only be made provided it does not introduce new obligations upon a STC Party that are not already within the main body of the STC. In the case of the changes to STCP18-3 a further change to the STC is required in order to clarify the processes and obligations on Parties with regard to TEC Exchanges before the amendment to the STCP is effected.

4. Impact on the STC *(information should be given where possible)*

Changes to Section D to set out the obligations upon each STC Party concerning

- Notification of the receipt of a TEC Exchange Request and instigation of the TEC Exchange process
- Exchange of updated Planning Assumptions following the receipt by NGC of a TEC Exchange Rate Request
- Conditions to ensure that the timescales in the CUSC regarding the time in which a TEC Exchange Rate must be provided to the applying CUSC Parties can be met fully

Changes to Schedule 3

- To ensure that the appropriate data may be exchanged between the Parties in the preparation of a TEC Exchange Rate

Changes to Schedules

- Introduction of pro-forma forms within the schedules specifying the data that a TO would require before calculating a TEC Exchange Rate and the pro-forma form from the TO to NGC in confirming the calculated TEC Exchange Rate Request.

There may also be an impact upon other areas of the STC including Section H – Disputes.

Sample draft legal text is attached at Attachment 1 to this STCP Amendment Proposal. This could be used as a basis for further discussions on this issue and would potentially present one option to give effect to the above changes.

5. Impact upon the STCPs

Should this Amendment be approved consequential changes to STCP18-3 TEC Changes would be required. This would be approved through the normal STCP Amendment process by the STC Committee, but for information the proposed changes developed at the Investment Planning User Group are attached at Attachment 2 to this STC Amendment Proposal.

6. Impact on other frameworks e.g. CUSC, BSC (information should be given where possible)

None

7. Impact on Core Industry Documentation (information should be given where possible)

None

8. Impact on Computer Systems and Processes used by STC Parties (information should be given where possible)

None

9. Details of any Related Modifications to Other Industry Codes (where known)

CAP068 – Competing Requests for TEC

10. Justification for Proposed Amendment with Reference to Applicable STC Objectives (mandatory field)

This modification would allow a User's rights under the CUSC with regard to an exchange of TEC to be more easily facilitated by both NGC and each TO. Through this facilitation it would allow for TEC Exchanges that involve one or both joint TEC Exchange Rate Request Applicants that are situated either in the licensed area of or the boundary of influence of a TO to trade TEC. This would therefore remove potential uncertainty regarding the process by which such a TEC Trade may be performed when one or more applicant is sited in the licensed area of a TO. This would remove a potential barrier to such a TEC Trade and hence facilitate effective competition in the generation and supply of electricity.

By explicitly including the preparation of a TEC Exchange Rate within the STC as an instance where information may be provided by an STC Party to a TO this would also clarify the rights and obligations with regard to such activities concerning the exchange of data. This would therefore aid the licensees in the efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act.

By explicitly defining the process through which a TEC Exchange Rate should be calculated this would also ensure that a consistent approach is maintained upon each application. As a result any TEC Exchange Rates provided and any consequential TEC Trade would be in accordance with the development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission.

Details of Proposer Organisation's Name	National Grid Company plc
Capacity in which the Amendment is being proposed (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
Details of Proposer's Representative Name Organisation Telephone Number Email Address	Mark Duffield National Grid Company plc 01926 654971 mark.duffield@ngtuk.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	Ben Graff National Grid Company plc 01926 656312 ben.graff@ngtuk.com
Attachments (Yes/No): Yes - Two (2) If yes, title and number of pages of each attachment: Attachment 1: (8 pages) Sample legal text to give effect to the proposed changes Attachment 2: (1 page) Draft changes to STCP18-3 to be progressed should CA013 be approved	

Notes:

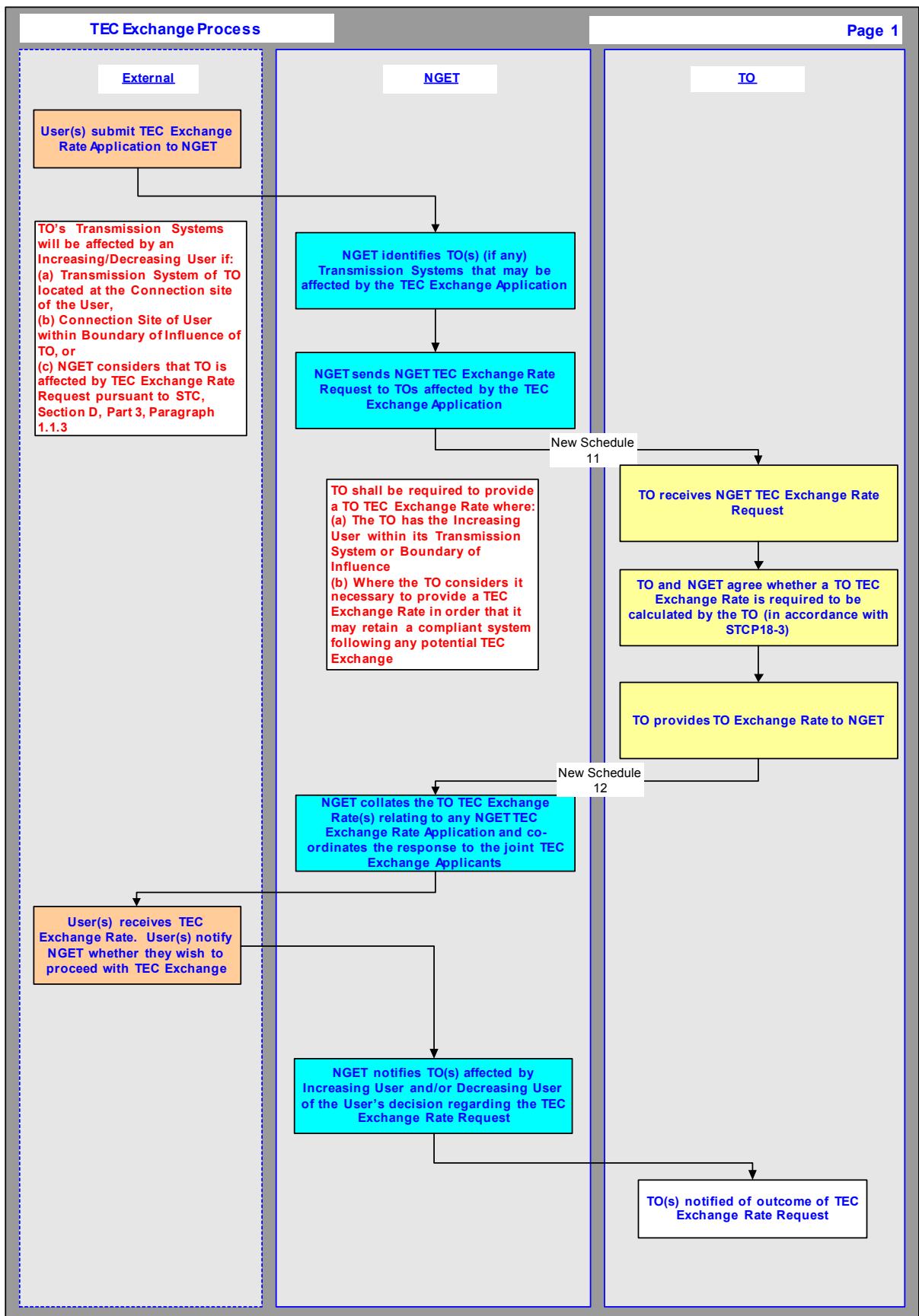
1. *Those wishing to propose an Amendment to the STC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 7.2 of the STC.*
2. *The Committee Secretary will check that the form has been completed, in accordance with the requirements of the STC, prior to submitting it to the Committee. If the Committee Secretary accepts the Amendment Proposal form as complete, then she/he will write back to the Proposer informing them of the reference number for the Amendment Proposal and the date on which the Committee will consider the Proposal. If, in the opinion of the Committee Secretary, the form fails to provide the information required in the STC, then he/she may reject the Proposal. The Committee Secretary will inform the Proposer of the rejection and report the matter to the Committee at their next meeting. The Committee can reverse the Committee Secretary's decision and if this happens the Committee Secretary will inform the Proposer.*

The completed form should be returned to:

Lilian Macleod
STC Committee Secretary
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

Or via e-mail to: STCTeam@uk.ngrid.com

Annex 2 – Flow Chart of Process described by CA013



ANNEX 3 – PROPOSED TEXT TO MODIFY STC

Part A - Text to give effect to the Proposed Amendment

Section D: Planning Co-ordination

It is proposed to insert the following text into Section D of the SO-TO Code.

PART THREE: OTHER

1 TEC EXCHANGE PROCESS

- 1.1 If NGET considers it may be necessary, it shall submit a NGET TEC Exchange Rate Application in accordance with paragraph 1.2 to:
- 1.1.1 the Transmission Owner, if any, whose Transmission System is located at the Relevant Connection Site of the Increasing User or the Decreasing User;
 - 1.1.2 any Transmission Owner in relation to whose Transmission System the Relevant Connection Site of the Increasing User or the Decreasing User satisfies the criteria set out in Schedule Four; and
 - 1.1.3 any Transmission Owner which does not receive a NGET TEC Exchange Rate Application pursuant to sub-paragraphs 1.1.1 or 1.1.2, but which:
 - 1.1.3.1 otherwise receives TEC Exchange Planning Assumptions pursuant to paragraph 2.1 or 2.2 in relation to the Relevant Connection Site of the Increasing User or the Decreasing User;
or
 - 1.1.3.2 NGET otherwise identifies is likely to be required to calculate a TEC Exchange Rate in respect of the Exchange Rate Request,
- (NGET and each Transmission Owner which receives a NGET TEC Exchange Rate Application shall be referred to in this Section as a "TEC Exchange Party").
- 1.2 NGET shall submit a NGET TEC Exchange Rate Application:
- 1.2.1 pursuant to sub-paragraphs 1.1.1 and 1.1.2, as soon as reasonably practicable, and in any event within three Business Days of the User Application Date in relation to such Relevant Connection Site of the Increasing User or the Decreasing User.
 - 1.2.2 pursuant to sub-paragraph 1.1.3, at the same time as TEC Exchange Planning Assumptions are submitted to a Transmission Owner under paragraph 2.2 or, where applicable, at the same time as NGET gives a Transmission Owner notice under paragraph 2.3.
- 1.3 For the purposes of this Section D, Part Three, a NGET TEC Exchange Rate Application shall be deemed to be effective if it is complete and clear in all material respects.
- 1.4 If a Transmission Owner reasonably considers that a NGET TEC Exchange Rate Application is not effective it shall, as soon as reasonably practicable and in any event within five Business Days of receipt of the NGET TEC Exchange Rate Application, notify NGET of:
- 1.4.1 the detailed reasons why it considers the NGET TEC Exchange Rate Application is incomplete or unclear in a material respect; and
 - 1.4.2 the amendments (including clarifications, additional information, data or other material) it considers are required to make the NGET TEC Exchange Rate Application effective.

and shall otherwise use its best endeavours to liaise with and assist NGET (and, where reasonably requested by NGET, any relevant third parties) so that the NGET TEC Exchange Rate Application is made effective as soon as reasonably practicable. Any dispute in relation to the effectiveness of a NGET TEC Exchange Rate Application may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

- 1.5 NGET shall immediately notify each other TEC Exchange Party following:
- 1.5.1 any change in the NGET TEC Exchange Rate Application or associated information provided to such TEC Exchange Party; or
 - 1.5.2 the withdrawal of the relevant User Application by a User, in which case such notice shall also constitute notice of withdrawal by NGET of any relevant NGET TEC Exchange Rate Application.

2 PROVISION OF TEC EXCHANGE PLANNING ASSUMPTIONS FOLLOWING A NGET TEC EXCHANGE RATE APPLICATION

- 2.1 In addition to Planning Assumptions used for general transmission planning pursuant to Section D, Part One, paragraph 2.2, NGET may, as a consequence of a User Application for a TEC Exchange Rate Request, also generate a separate set of Planning Assumptions which take into account the power flows which NGET expects are likely to result from a TEC Trade for use by each Transmission Owner only in the preparation of a TO TEC Exchange Rate ("**TEC Exchange Planning Assumptions**").
- 2.2 If NGET generates TEC Exchange Planning Assumptions, it shall do so as soon as reasonably practicable and, in any event, within five Business Days of the User Application Date and shall:
- 2.2.1 immediately provide to each Transmission Owner such parts of the set of TEC Exchange Planning Assumptions as NGET reasonably determines are likely to materially affect such Transmission Owner's Transmission System; and
 - 2.2.2 at the same time as TEC Exchange Planning Assumptions are provided to any Transmission Owner(s) pursuant to sub-paragraph 2.2.1, either:
 - 2.2.2.1 identify the NGET TEC Exchange Rate Application already submitted to such Transmission Owner under sub-paragraphs 1.1.1 or 1.1.2 to which the TEC Exchange Planning Assumptions relate; or
 - 2.2.2.2 submit a new NGET TEC Exchange Rate Application to such Transmission Owner pursuant to sub-paragraph 1.1.3.
- 2.3 NGET shall notify each Transmission Owner which receives an NGET TEC Exchange Rate Application as soon as reasonably practicable and, in any event, within two Business Days of the User Application Date, if it does not intend to generate a set of TEC Exchange Planning Assumptions in respect of the relevant Exchange Rate Request. Following such notice NGET shall inform each Transmission Owner that receives a NGET TEC Exchange Rate Application which previously notified Planning Assumptions should apply and such Planning Assumptions shall be deemed to also be TEC Exchange Planning Assumptions for the purposes of such NGET TEC Exchange Rate Application.
- 2.4 NGET may, in its discretion, change a set of TEC Exchange Planning Assumptions (including any deemed TEC Exchange Planning Assumptions under paragraph 2.3) by giving notice to the relevant Transmission Owner(s), at any time up to the date not less than three months after the User Application Date.

- 2.5 A Transmission Owner may submit a request to NGET for a change to TEC Exchange Planning Assumptions it has received pursuant to paragraphs 2.2 or 2.4 or which have been deemed pursuant to paragraph 2.3, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 2.6 If NGET receives a request for a change to TEC Exchange Planning Assumptions pursuant to paragraph 2.5 it shall, as soon as reasonably practicable:
- 2.6.1 notify the Transmission Owner submitting the request and any other Transmission Owner, which is likely to be materially affected by the requested change, whether or not and, where relevant, how NGET intends to accommodate such request; and
- 2.6.2 where relevant, change and re-issue such TEC Exchange Planning Assumptions accordingly.
- 2.7 A Transmission Owner may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:
- 2.7.1 any notice received from NGET under 2.6.1; or
- 2.7.2 any failure by NGET to respond to a request made by such Transmission Owner under paragraph 2.5 within a reasonable period of time, taking into account the nature, complexity and urgency of the request.
- 2.8 For the avoidance of doubt, any change made to TEC Exchange Planning Assumptions pursuant to paragraphs 2.4 or 2.6 shall change the existing set of TEC Exchange Planning Assumptions and shall not constitute a separate set of TEC Exchange Planning Assumptions.
- 2.9 NGET shall act in accordance with Good Industry Practice in deciding whether to generate any set of TEC Exchange Planning Assumptions and, where relevant, in generating or modifying such TEC Exchange Planning Assumptions pursuant to this paragraph 2.

3 TEC EXCHANGE RATES

- 3.1 A TO shall prepare each TO TEC Exchange Rate so that, if the TEC Trade to which it relates becomes effective, such Transmission Owner would continue to comply with the obligations in respect of the planning and development of its Transmission System set out in Part One, paragraph 2.2 of this Section D by giving effect to such NGET TEC Exchange Rate Application, except that:
- 3.1.1 for the purpose of Part One, paragraph 2.2, such Transmission Owner shall take into account TEC Exchange Planning Assumptions provided to it under paragraph 2 (as modified or updated pursuant to paragraphs 2.4 or 2.6) in respect of the NGET TEC Exchange Rate Application in the place of any other Planning Assumptions.
- 3.2 A Transmission Owner which receives an effective NGET TEC Exchange Rate Application under paragraph 1.2 above shall, unless otherwise agreed with NGET or determined or directed by the Authority, submit a TO TEC Exchange Rate to NGET as soon as reasonably practicable and, in any event, on or before the later of:
- 3.2.1 three months less thirteen Business Days after the User Application Date; and
- 3.2.2 where relevant, three months less fifteen Business Days after the TEC Exchange Assumptions Date.
- 3.3 NGET and a Transmission Owner may agree that the Transmission Owner may submit its TO TEC Exchange Rate otherwise than in accordance with the dates set out in paragraph 3.2 provided that:

3.3.1 a TO TEC Exchange Rate to which sub-paragraph 3.2.1 applies shall be submitted not later than three months less five Business Days after the User Application Date; and

3.3.2 a TO TEC Exchange Rate to which sub-paragraph 3.2.2 applies shall be submitted not later than three months less seven Business Days after the TEC Exchange Assumptions Date,

unless otherwise directed by the Authority.

3.4 In the event that NGET modifies TEC Exchange Planning Assumptions after a Transmission Owner has submitted its TO TEC Exchange Rate for the NGET TEC Exchange Rate Application to which such TEC Exchange Planning Assumptions apply, the Transmission Owner shall revise and re-submit its TO TEC Exchange Rate to NGET, taking into account such modified TEC Exchange Rate Planning Assumptions, as soon as reasonably practicable.

Schedule 3 changes

- 2.1.5 NGET may Disclose to a Transmission Owner any User Data or Transmission Information specified in Schedules Five, Six or Seven and forming part of a NGET Construction Application or Schedule Eleven.

New Schedule 11

SCHEDULE ELEVEN

NGET TEC EXCHANGE RATE APPLICATIONS

- 1 REQUIREMENTS FOR A NGET TEC EXCHANGE RATE APPLICATION SUBMITTED BY NGET TO A TRANSMISSION OWNER PURSUANT TO SECTION D, PART THREE, SUB-PARAGRAPH 1.1.1, 1.1.2 OR 1.1.3:
- 1.1 A NGET TEC Exchange Rate Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Three, sub-paragraph 1.1.1, 1.1.2 or 1.1.3 shall contain the following information:
 - 1.1.1 The User Application Date.
 - 1.1.2 The MW increase in Transmission Entry Capacity at the Connection Site of the Increasing User contained within the Exchange Rate Request.
 - 1.1.3 The MW decrease in Transmission Entry Capacity at the Connection Site of the Decreasing User contained within the Exchange Rate Request
 - 1.1.4 Where the Transmission System of the Transmission Owner is located at the Relevant Connection Site of the Increasing User or where the Transmission System of the Transmission Owner satisfies the criteria set out in Schedule Four for the Relevant Connection Site of the Increasing User:
 - 1.1.4.1 the Connection Site for the Increasing User; otherwise,
 - 1.1.4.2 the name of the Party within whose Transmission System the Connection Site of the Increasing User is located.
 - 1.1.5 Where the Transmission System of the Transmission Owner is located at the Relevant Connection Site of the Decreasing User or where the Transmission System of the Transmission Owner satisfies the criteria set out in Schedule Four for the Relevant Connection Site of the Decreasing User:
 - 1.1.5.1 The Connection Site for the Decreasing User; otherwise,
 - 1.1.5.2 the name of the Party within whose Transmission System the Connection Site of the Decreasing User is located.
 - 1.1.6 The date on which NGET wishes the NGET TEC Exchange Rate Request to be effective.
 - 1.1.7 The NGET TEC Exchange Rate Application reference number.

New Schedule 12

SCHEDULE TWELVE
TO TEC EXCHANGE RATES

NGET TEC Exchange Rate Application reference number:

Connection Site of Increasing User (where previously notified to the TO by NGET):

Connection Site of Decreasing User (where previously notified to the TO by NGET):

Increase in Transmission Entry Capacity that may be accommodated at the Connection Site of the Increasing User given corresponding decrease in Transmission Entry Capacity at the Connection Site of the Decreasing User:

Section J: Interpretation and Definitions

It is proposed to insert/modify the following text into Section J of the SO-TO Code.

<u>"Decreasing User"</u>	<u>a User considering a reduction in their TEC to enable the</u>
<u>"Exchange Rate Request"</u>	<u>Increasing User to increase their TEC as part of a TEC Trade;</u>
<u>"Increasing User"</u>	<u>as defined in the CUSC as at the Code Effective Date;</u>
<u>"NGET TEC Exchange Rate Application"</u>	<u>a User considering an increase in their TEC as a direct result of a reduction in the Decreasing User's TEC as part of a TEC Trade;</u>
<u>"Relevant Connection Site"</u>	<u>an application made by NGET to a Transmission Owner pursuant to Section D, Part Three, paragraph 1.1 in relation to the calculation of a TO TEC Exchange Rate and containing the information set out in Schedule 11;</u>
<u>"TEC Exchange Assumptions Date"</u>	<u>in respect of each Construction Project or Exchange Rate Request:</u> (a) <u>the Connection Site or New Connection Site which is the subject of the relevant User Application; or</u> (b) <u>in the case of a User Application made to NGC by an Embedded User, the connection site of such Embedded User;</u>
<u>"TEC Exchange Party"</u>	<u>in respect of each Transmission Owner, the date on which such Transmission Owner:</u>
<u>"TEC Exchange Planning Assumptions"</u>	<u>(a) receives TEC Exchange Planning Assumptions from NGET pursuant to Section D, Part Three, paragraph 2.2; or</u>
<u>"TEC Trade"</u>	<u>(b) receives notice that NGET does not intend to generate a set of Construction Planning Assumptions under Section D, Part Two, paragraph 2.3,</u>
<u>"TO TEC Exchange Rate"</u>	<u>in relation to the NGET TEC Exchange Rate Application to which such TEC Exchange Planning Assumptions apply;</u>
<u>"Transmission Entry Capacity"</u>	<u>as defined in Section D, Part Three, paragraph 1.1;</u>
<u>"User Application"</u>	<u>as defined in Section D, Part Three, paragraph 2.1;</u> <u>as defined in the CUSC as of the Code Effective Date;</u> <u>The Transmission Entry Capacity available to a specific User as a direct result of a specific reduction in the Transmission Entry Capacity available to another User as calculated by a Transmission Owner and provided to NGET in accordance with Schedule 12;</u> <u>the figure specified as such for a Connection Site in a NGET Construction Application or NGET TEC Exchange Application;</u> <u>an application made by a User to NGC under and pursuant to the CUSC in respect of:</u> (a) <u>a New Connection; or</u> (b) <u>a Modification; or</u> (c) <u>use of the GB Transmission System; or</u> (d) <u>an Exchange Rate Request by such User.</u>