

# Loss of Transmission Access Compensation – Guidance Note for Customers

This document has been produced to complement the ‘Loss of Transmission Access Compensation Claim Form’. Both the claim form and this document are the result of CUSC Modification Proposal 212 (CMP212) which from 24 January 2013 introduces a new process for Loss of Transmission Access Claims. This document provides some background information on the process as well as guidance on how to complete the claim form.

**Please note that the ‘Loss of Transmission Access Compensation Claim Form’ needs to be submitted within 30 (calendar) days from the end of an incident of loss of access to the National Electricity Transmission System (“NETS”). Failure to do so will render your claim invalid. Please use a separate claims form for each such incident.**

**As part of the implementation of the new rules, claims relating to an incident of loss of access to the NETS, which occurred prior to the implementation of CMP212 (24 January 2013), can be submitted until 24 February 2013.**

## Relevant Interruptions

Generators, if they are subject to a Relevant Interruption<sup>1</sup> (as defined in the CUSC) may be eligible for a payment from National Grid. Section 11 of the CUSC contains the CUSC definitions, those which are relevant to this note have been reproduced in Appendix One of this document.

To decide if an interruption qualifies for a payment, we need to investigate the circumstances that resulted in the disconnection and assess if this meets the criteria set out in the CUSC for a Relevant Interruption. This process is started by the submission of a competent claim by an Affected User<sup>2</sup>.

CMP212 introduced obligations on both generators and ourselves in relation to claims. Generators are required to submit claims within 30 calendar days from the end of an incident of loss of access to the NETS, while we are required to investigate and confirm if a claim is valid (or not) within 60 calendar days. There is however, scope for us to agree longer timescales for claim validation with a claimant.

Once the value of any payment has been determined, we will normally make that payment within 28 days.

You can read more about CMP212 through the CUSC modifications page:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/>

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<sup>1</sup> A Relevant Interruption is essentially an Interruption that is caused ‘solely’ by a fault on National Grid’s transmission system, assuming it is not excluded under the CUSC. Appendix One has the formal definitions.

<sup>2</sup> See Appendix One for the CUSC definition of an Affected User

**Submission of a claim**

The claims form is available from our website and consists of 4 sections:

Section	Title	Comments
One	Submission date of claim	This should be the submission date of the form rather than the date of an incident.
Two	Power Station	The details of the power station and Balancing Mechanism Units involved. If more than one power station is involved please use a separate form for each power station.
Three	Contact Details	
Four	Incident Details	If necessary, please provide additional details of the claim in a separate document.

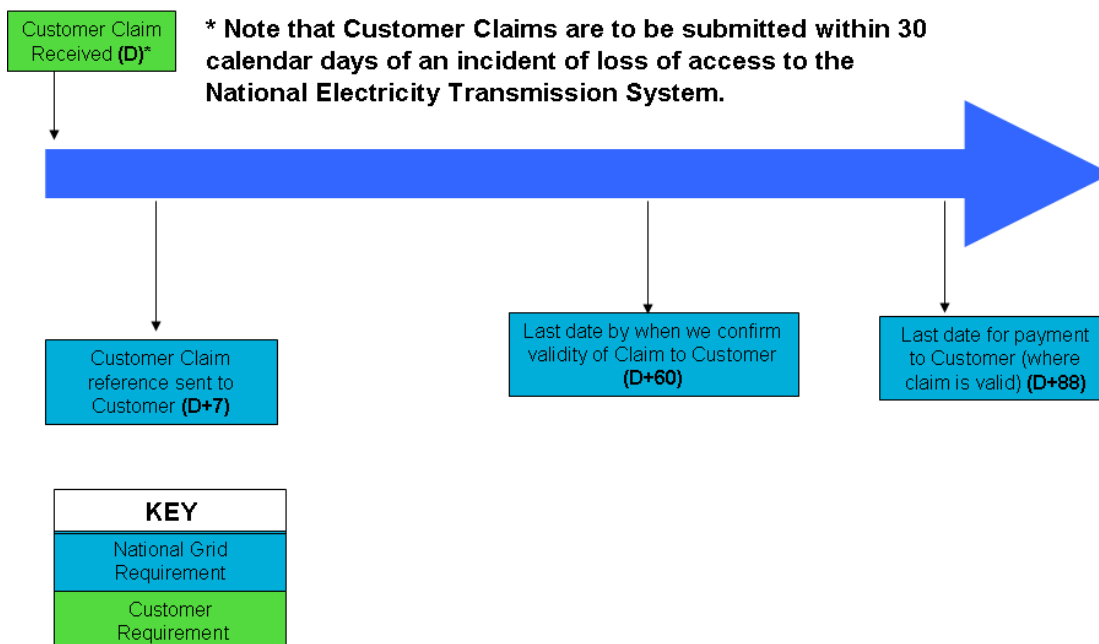
Once completed, the claim form should be submitted to:

[transmissionconnections@nationalgrid.com](mailto:transmissionconnections@nationalgrid.com) copying your Customer Account Manager (if known). The title of the email should read '**Relevant Interruption Claim**'.

**What happens after the claim form has been submitted?**

- Within 5 working days of submission of your claim form, you will receive a reference number via email confirming we have received your claim. If you don't hear from us in this timescale, please contact your Customer Account Manager or [transmissionconnections@nationalgrid.com](mailto:transmissionconnections@nationalgrid.com);
- We may need some additional details about your claim so we may contact you;
- We will let you know within 60 calendar days, or longer if we agree this with you, of your claim submission if it is valid or not and confirm the claim value; and
- If a claim is valid, we will make a payment within 28 days of the date of confirmation of the claim value.

The diagram below summarises the process:



## **Reporting**

To improve transparency, the new process has also introduced a reporting mechanism.

This will show the number of claims submitted, investigated and rejected etc, as well as the timescales involved. The first such report will be presented to the CUSC Modifications Panel, 12 months after the implementation of CMP212 i.e. in February 2014.

## **Questions**

If you have any questions on this document please contact, in the first instance, Tariq Hakeem via email: [tariq.hakeem@nationalgrid.com](mailto:tariq.hakeem@nationalgrid.com)

## Appendix One – CUSC definitions and extracts

The text below has been extracted from the CUSC; it has been reproduced here for reference.

### Section 11 CUSC Definitions

"Affected User"

a User:

- a) with **Transmission Entry Capacity** for the **Connection Site** against which the affected **BM Unit** is registered and who is paying or in receipt of generator **Transmission Network Use of System Charges** by reference to such **Transmission Entry Capacity**; or
- b) an **Interconnector Owner**;

"Allowed Interruption"

shall mean an **Interruption** as a result of any of the following:

- a) an **Event** other than an **Event** on the **National Electricity Transmission System**;
- b) an event of **Force Majeure** pursuant to Paragraph 6.19 of the **CUSC**;
- c) a **Total Shutdown** or **Partial Shutdown**;
- d) action taken under the **Fuel Security Code**;
- e) **Disconnection** or **Deenergisation** by or at the request of **The Company** under Section 5 of the **CUSC**, except in the case of an **Emergency Deenergisation Instruction**;
- f) the result of a direction of the Authority or **Secretary of State**;
- g) tripping of the **User's Circuit Breaker(s)** following receipt of a signal from a **System to Generator Operational Intertripping Scheme** which has been armed in accordance with

Paragraph 4.2A.2.1(b).

or if provided for in a **Bilateral Agreement** with the affected **User**;

**“Interruption”**

where either:-

- (i) solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **National Electricity Transmission System**; or
- (ii) in accordance with an **Emergency Deenergisation Instruction**;
  - a) a **BM Unit** comprised in the **User’s Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**; or
  - b) an **Interconnector** of an **Affected User** who is an **Interconnector Owner** is **Deenergised.**; or
  - c) The **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User’s Equipment** is zero.

**“Interruption Payment”**

the payment for each day or part thereof of the **Interruption Period** calculated as follows:

- 1. In the case of a **Relevant Interruption** arising as a result of a **Planned Outage** the higher of:
  - A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system **Transmission Entry Capacity**, in each case using figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs, this is then divided by 365 to give a daily £ per MW rate; or

- B. the actual £ per MW of an **Affected User** by reference to the tariff in the **Use of System Charging Statement** for the **Financial Year** in which the **Relevant Interruption** occurs divided by 365 to give a daily £ per MW rate.

A or B are then multiplied by:

- a) in the case of an **Affected User** other than an **Interconnector\_Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and
- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**.
2. In the case of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**:

- (a) sum equal to the **System Buy Price** as defined in the **Balancing and Settlement Code** for each **Settlement Period** (or part thereof) from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** until the first **Settlement Period** for which **Gate Closure** had not (at the time the **Emergency Deenergisation Instruction** was issued by **The Company**) occurred

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the

unaffected **BM Units** at the **Connection Site**; and

- (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**,
- (b) For each subsequent **Settlement Period** of the **Relevant Interruption** which occurs within the first 24 hours of the **Relevant Interruption**, a sum equal to the **Market Price** as defined in the **Balancing and Settlement Code** for the relevant **Settlement Period(s)**

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection site**; and
  - (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**; and
- (c) and after the first 24 hours a sum calculated as 1 above
3. In the case of all other **Relevant Interruptions**:
- (a) sum equal to the **System Buy Price** as defined in the **Balancing and Settlement Code** for each **Settlement Period** (or part thereof) from the start of such **Relevant Interruption** until the first **Settlement Period** for which **Gate Closure** had not (at the time the **Relevant Interruption** started) occurred

Multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and
  - (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**
- (b) For each subsequent **Settlement Period** of the **Relevant Interruption** which occurs within the first 24 hours of the **Relevant Interruption**, a sum equal to the **Market Price** as defined in the **Balancing and Settlement Code** for the relevant Settlement Period(s)

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection site**; and
  - (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**; and
- (c) and after the first 24 hours a sum calculated as 1 above.

Provided always that an **Affected User** shall not receive payment for more than one **Relevant Interruption** in any given day;

4. In the event of the relevant **Market Price** being zero then for the purpose of 2(b) or 3(b) the



**Market Price** shall be deemed to be the most recent preceding positive price.

**“Interruption Period”**

the period in days commencing with the notification by **The Company** to the **Affected User** of the start of **Relevant Interruption** and ending on the notification by **The Company** the **Affected User** that the **Relevant Interruption** has ended;

**"Relevant Interruption"**

an **Interruption** other than an **Allowed Interruption**;

#### Extract from Section 5 of the CUSC

##### **5.10 RELEVANT INTERRUPTIONS**

**5.10.1 In the event of a Relevant Interruption, unless 5.10.7 applies, where the Affected User has not otherwise received compensation under the Balancing and Settlement Code The Company shall be liable to pay the Affected User upon request the Interruption Payment for the Interruption Period.**

**5.10.2 The Interruption Payment shall be paid by The Company to the Affected User within 28 days of the date of agreement as to the amount of the Interruption Payment.**

**5.10.3 The Affected User will take all reasonable steps to minimise the effect (and therefore the amount of the Interruption Payment sought as a consequence) of the Relevant Interruption on the operation of its business.**

**5.10.4 Subject to 5.10.10, the Affected User must request an Interruption Payment for a Relevant Interruption within 30 days of the end of the Relevant Interruption by submitting to The Company a completed Loss of Transmission Access Compensation Claim Form. No Interruption Payment will be payable by The Company if the Interruption Payment request falls outside this period.**

**5.10.5** The Company shall as soon as reasonably practicable after the end of the Interruption Period notify the Affected User where the Relevant Interruption was in accordance with Emergency Deenergisation Instruction.

**5.10.6** The Company shall confirm to the Affected User whether or not an Interruption is a Relevant Interruption and confirm the Interruption Payment value within 60 days of that Affected User requesting an Interruption Payment, or use reasonable endeavours to agree with the Affected User when it shall provide such confirmation.

**5.10.7.1** No Interruption Payment will be payable by The Company if the total agreed value of a claim under this Section 5.10 is less than the Interruption Payment Threshold unless the Interruption Payment is for a Relevant Interruption arising as result of a Planned Outage

**5.10.7.2** The “Interruption Payment threshold” shall be £1, or such amount up to a maximum of £5,000 as may be determined by the CUSC Modification Panel from time to time. In the event of the CUSC Modification Panel varying the Interruption Payment Threshold such revised threshold shall apply from 30 days after such variation being notified to all Users.

**5.10.8** If an Affected User and The Company cannot reach agreement under Section 5.10.2 or 5.10.6 the Dispute Resolution Procedure shall apply.

**5.10.9** The Company shall report to the CUSC Modification Panel in respect of the claims processed under this Section 5.10, such report to detail the number of claims received, under investigation, validated or rejected in the reporting period.

**The frequency of the reporting will be decided by the CUSC Modification Panel and may be varied from time to time.**

**5.10.10** In respect of any Relevant Interruptions occurring before the date and time of implementation of CUSC Modification Proposal CMP212, the Affected User must request an Interruption Payment for a Relevant Interruption within 30 days of the date and time of implementation of CUSC Modification Proposal CMP 212.