










Stage 02: Workgroup Consultation	At what stage is this document in the process?												
<p>CMP285: ‘CUSC Governance Reform – Levelling the Playing Field’</p>	<table border="1"> <tr> <td data-bbox="1145 331 1217 409">01</td> <td data-bbox="1225 331 1441 409">Initial Written Assessment</td> </tr> <tr> <td data-bbox="1145 421 1217 499">02</td> <td data-bbox="1225 421 1441 499">Workgroup Consultation</td> </tr> <tr> <td data-bbox="1145 510 1217 589">03</td> <td data-bbox="1225 510 1441 589">Workgroup Report</td> </tr> <tr> <td data-bbox="1145 600 1217 678">04</td> <td data-bbox="1225 600 1441 678">Code Administrator Consultation</td> </tr> <tr> <td data-bbox="1145 689 1217 768">05</td> <td data-bbox="1225 689 1441 768">Draft CUSC Modification</td> </tr> <tr> <td data-bbox="1145 779 1217 857">06</td> <td data-bbox="1225 779 1441 857">Final CUSC Modification Report</td> </tr> </table>	01	Initial Written Assessment	02	Workgroup Consultation	03	Workgroup Report	04	Code Administrator Consultation	05	Draft CUSC Modification	06	Final CUSC Modification Report
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02	Workgroup Consultation												
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05	Draft CUSC Modification												
06	Final CUSC Modification Report												
<p>Purpose of Modification: CMP285 seeks to reform the CUSC governance to enhance the independence and diversity of panel members and ensure wider engagement from CUSC signatories.</p>													
	<p>This document contains the discussion of the Workgroup which formed in September 2017 to develop and assess the proposal. Any interested party is able to make a response in line with the guidance set out in Section 5 of this document.</p> <p>Published on: 10 August 2018</p> <p>Length of Consultation: 20 Working Days</p> <p>Responses by: 5 pm 10 September 2018</p>												
	<p>High Impact: All CUSC signatories will be impacted on an enduring basis.</p>												

Contents		 Any questions? Contact: Shazia Akhtar  Shazia.Akhtar2@nationalgrid.com  07787266972 Proposer: Michael Jenner, UKPR  Michael.Jenner@ukpowerreserve.com  07896 062621 National Grid Representative: Michael Oxenham  Michael.Oxenham1@nationalgrid.com  telephone: 07554 413 864
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Timetable		
Code Administrators recommends the following revised timetable (subject to Panel approval in August):		
Workgroup Meetings	Sep 2017 – July 2018	
Workgroup Consultation issued to the Industry	10 August 2018	
Workgroup meeting to discuss WG Consultation responses	11 September – 18 October 2018	
Workgroup Report Issued to CUSC Panel	19 October 2018	
Code Administration Consultation (15 WD)	October 2018	
Draft FMR published (3 WD)	November 2018	
Draft FMR presented to CUSC Panel	November 2018	
CUSC Panel recommendation vote	November 2018	
Final Modification Report issued to the Authority	December 2018	
Indicative Decision for the Authority	January/Feb 2019	
Decision Implemented into the CUSC	01 April 2019	

1 Format of this report and Terms of Reference

This report contains the discussion of the Workgroup which formed in September 2017 to develop and assess the proposal.

Section 2 (Original Proposal) and Section 3 (Proposer's solution) are sourced directly from the Proposer and any statements or assertions have not been altered or substantiated/supported or refuted by the Workgroup. Section 4 of the Workgroup Report contains the discussion by the Workgroup on the Proposal and the potential solution.

The CUSC Panel detailed in the Terms of Reference the scope of work for the CMP285 Workgroup and the specific areas that the Workgroup should consider.

The table below details these specific areas and where the Workgroup have covered them or will cover post Workgroup Consultation.

The full Terms of Reference can be found in Annex 1.

Table 1: CMP285 ToR

Specific Area	Location in the report
a) The Workgroup can demonstrate how any proposals would increase participation (nominations or voting)	Section 1.J - Page 15/16 Section 5 - Page 20 Section 7 - Page 20/21
b) Consider how and why CUSC Signatories could be 'grouped' together and how Joint Ventures are incorporated	Section 1.A - Page 11 (Text in relation to Joint Ventures still needs to be added)
c) In setting the number for total votes for a grouped CUSC Signatories detail the basis on how this has been determined	Section 1.C - Page 12
d) Consider the appropriate % of votes to be casted for an Election to be valid and what the process would be if this % is not achieved and what the consequences would be	Section 2 - Page 19
e) Process for an active Party becoming a dormant Party	Section 1.E – Page 13 (Further text needs to be added in relation to this)
f) Consider how a Panel would ensure that there was continuous experience on the Panel if a set period that a candidate could hold office for	Section 1.I – Page 14/15
g) How more smaller participants could be become more involved in the process	Section 1.J - Page 15/16 Section 5 - Page 20 Section 7 - Page 20/21

h) Consider what funding model could be used for paying for a non-CUSC Party to be a Panel Member	Section 1.L - Page 17/18
i) Consider whether the Panel should be fully independent or independent from a constituency	Section 1.B - Page 11 Section 1.J - Page 15/16 Section 1.M - Page 18
j) Consider the constitution of the Panel and whether any changes should be made to the composition	Section 1.B - Page 11 Section 1.J - Page 15/16 Section 1.M - Page 18 Section 1.N - Page 18 Section 4 – Page 19/20
k) Define the process for use of alternative (e.g. would this be the Panel Member or by Code Administration or via another means)	Section 1.F - Page 13 Section 1.G - Page 14
l) Consider how Materially Impacted Parties non CUSC Parties could be involved further in the process	Section 2 - Page 19
m) Consider the CMA findings and work performed by other Code Bodies under Code Governance and best practice from other Code Bodies	Section 1.A - Page 11 Section 1.C - Page 12 Section 1.D - Page 12 Section 1.F - Page 13 Section 1.I - Page 14/15 Section 1.K - Page 16/17 Section 1.L - Page 17/18
n) Consider what was included in the acting legalisation and what areas can be permissible considered by the Workgroup	
o) Understand any consequential impact on any other codes and how a cross code model could work	
p) Define criteria to understand how the value of independence is judged	Section 1.K - Page 16/17

Defect

The current CUSC panel composition and voting process to select panel members is not able to deliver a sufficiently diverse and independent panel. It is failing to represent the industry as a whole and, consequently, to guarantee the best outcomes for consumers.

What

Currently, some large industry players are able to exercise overwhelming dominance when voting for CUSC panel members. Through registering a large number of subsidiary enterprises as CUSC signatories, some ultimate parent companies have been able to secure a significant number of votes in the CUSC panel election (one CUSC signatory can cast one vote).

This has led to some large industry players securing overwhelming and insurmountable dominance during the CUSC panel voting process and has allowed them to repeatedly place a candidate from their company on the panel. In many cases it is difficult to determine how many votes an ultimate parent company has under its control given the limited information that is provided on the CUSC signatory register.

Although panel members are elected by the CUSC signatories, which are subject to the code, this does not necessarily mean they are representative. The reason is twofold:

- substantially different resources within companies can lead to incumbency domination; and
- most smaller companies are not exercising their right to vote for panel members. This is adding to the voting distortion in favour of those many CUSC signatories under their control.

Therefore, the voting system is not functioning correctly, is not transparent and is granting larger companies unfair influence and control over the selection of CUSC members.

Why

It is crucial that the CUSC panel voting process is transparent, fair and representative of the views of the wider industry. These changes will ensure that the CUSC panel is - and is perceived to be – composed of truly independent industry experts seeking to work for the interests of consumers.

Without reform, the functioning of the CUSC panel will remain opaque and risks being less independent, less representative of the diverse energy industry and less able to deliver the best outcome for consumers.

Furthermore, a lack of reform will reduce consumer perception of the independence of the panel which in itself could bring the industry into disrepute.

How

A raft of changes should be made to the CUSC panel election process to enhance CUSC panel members' independence and encourage greater diversity in industry background and experience amongst panel members.

The voting process should be made transparent so it is clear how many votes each ultimate parent company has under its control. The number of votes of ultimate parent companies should be limited to increase fairness.

Measures should be taken to increase the participation of all CUSC signatories in the voting process, particularly from smaller companies.

Detail on why change

It is crucial that the CUSC panel voting process is transparent, fair and representative of the views of the wider industry. These changes will ensure that the CUSC panel is - and is perceived to be – composed of truly independent industry experts seeking to work for the interests of consumers.

Voting Data

Following a Freedom of Information request to Ofgem, UKPR obtained the following information on the last two CUSC panel votes:

- in 2015 a total of 104 first preference votes were cast.
- in 2013 no votes were cast as votes are only cast when the number of nominees exceeds the number of CUSC panel seats and this did not occur in 2013.

This demonstrates that the total number of votes cast represents only around 20% of all CUSC signatories eligible to vote. The working group should discuss how CUSC signatories can be incentivised to use their votes and to put forward panel members for election.

In addition, UKPR has conducted a review of the public list of CUSC signatories which indicates that some parent companies have registered a significant number of subsidiary companies that they control.

Since each CUSC signatory has one vote in the CUSC panel election, this means that some parent companies have an undue influence over the CUSC panel voting process relative to the rest of the industry. Given the limited information provided on the public CUSC register it is sometimes difficult to ascertain whether a company is a subsidiary of an ultimate parent company.

However, initial UKPR analysis of the public CUSC register suggests that some large industry players have a significant share of the votes. Furthermore, the influence of these votes is much greater when the limited voter turnout is taken into account.

This may explain why the members of the current CUSC panel reflect the majority of the companies listed in the table below. However, we cannot be certain on this point as CUSC signatories voting choices are confidential.

	Centrica	SP	SSE	EDF	RWE /NPower	E.On / Uniper	Total CUSC panel election votes
Number of CUSC signatories eligible to vote for CUSC panel	15	11	22	18	25	12 *	103

* Note that at the CUSC Panel the independent member from Uniper clarified that Uniper has 2 votes and that now that separation from E.ON has taken place and that the number of CUSC Signatories eligible to vote would not be 12 but 2.

UKPR analysis suggests that the 2017 number of CUSC signatories under the control large incumbent companies amounts to 103. Assuming all these large companies cast all their votes in the 2015 CUSC election, it is would be evident that the incumbents dominated the 2015 election process as only 104 votes were cast¹.

A similarly low CUSC voter turnout in the 2017 elections would mean these large companies would again dominate the election process if they used all their votes.

The table below shows the composition of the elected members of the CUSC panel since 2007.

	Year					
	2007-2009	2009-2011	2011-2013	2013-2015	2015-2017	2017-2019
	Garth Graham	Garth Graham	Garth Graham	Garth Graham	Garth Graham	
	Paul Jones	Paul Jones	Paul Jones	Paul Jones	Paul Jones	
	Simon Lord	Simon Lord	Simon Lord	Simon Lord	Simon Lord	
	Malcolm Taylor	Paul Mott	Paul Mott	Paul Mott	Paul Mott	
	Bob Brown	Bob Brown	Bob Brown	Bob Brown	Kyle Martin	
	Simon Goldring	Barbara Vest	Barbara Vest	James Anderson	James Anderson	
	Tony Diccico	Tony Diccico	Fiona Navesey	Michael Dodd	Michael Dodd	

¹ The 2015 total number of CUSC signatories eligible to vote for the CUSC panel was 486
<file:///ukprfs01/FolderRedirection/Alessandra.DeZottis/Downloads/Copy%20of%20CUSC%20Schedule%201%20-%202020%20June%202015.pdf>

Five out of seven Users Panel Members have been in office for between 8 and 10 years.

UKPR recognises that its initial analysis may be inaccurate given the opaque nature of the ultimate ownership of many CUSC signatories. The analysis could be an underestimate or overestimate of CUSC signatories under the control of large incumbent companies. Therefore, the above data serves as an example only, and the working group should fully investigate the facts around ultimate control of all CUSC signatories as part of its work.

Reform Needed

It is unacceptable for any part of the industry to have a greater ability to select these independent members relative to other industry parties. Failure to reform the CUSC governance process could lead to reduced panel independence, particularly if some parties can use their large number of CUSC signatory subordinate companies to repeatedly secure a CUSC place for one of their employees.

Without reform, smaller companies will not be able to have any meaningful influence over the CUSC panel selection process and this has perhaps led to the low turn-out amongst smaller players in the CUSC panel elections. This is affecting the credibility of the CUSC panel voting results with only around 20% of signatories choosing to vote.

This is particularly true of recently created smaller companies who are bringing new technologies to the market. The current CUSC panel voting process does not ensure that the panel includes an expert on these new technologies, many of which are and will be placed on the distribution system. Without reform, the CUSC panel risks being less independent, less representative of the diverse energy industry and less able to deliver the best outcome for consumers.

Furthermore, a lack of reform will reduce consumer perception of the independence of the panel which in itself could bring the industry into disrepute.

3 Proposer's solution

Proposed new CUSC panel voting rules to be implemented to increase independence, diversity and transparency:

Increased Transparency

- Ultimate parent companies must declare all CUSC signatories under their direct or indirect control. The names of all CUSC signatories under each parent company's control must be clearly declared and published as part of the public CUSC signatory list.
- The number of votes that an ultimate parent company can cast is limited to five.
- A public database must be maintained on the CUSC website of previous panel elections and results.

Increasing CUSC Signatory participation

- The percentage of CUSC signatory votes required in order to make a CUSC panel vote valid is 60%.

Independence and Diversity of panel members

- Panel members cannot have consecutive terms on the CUSC panel. This would be introduced immediately and retrospectively to prevent current members rolling over for another two years following this modification.
- At least three of the CUSC members must be independent and not in the employ of any CUSC signatory or any ultimate parent company of a CUSC signatory while they serve on the panel. These independent panel members will be remunerated for their time directly from the CUSC process.
- At least two positions on the panel must be reserved for a representative with deep experience and knowledge of working in a distributed generation company.
- Alternate CUSC panel members must fill any seat vacated by a full CUSC panel member. Alternate CUSC members are no longer required to be asked to stand in for vacant CUSC members; this will occur automatically. If there are more alternate members than the number of vacant CUSC seats at any given CUSC meeting, a random process will determine which independent alternate CUSC member will fill the vacant position.

Independent review of Governance

- The working group should consider whether it is appropriate to commission a full independent review of the governance of the CUSC panel.

There may be lessons to be learned from the governance of other industry codes, such as the Balancing Settlement Code (BSC), which already has independent members.

The BSC Panel is made up of:

- a Chairman (appointed by the Authority, via Ofgem)
- industry members (elected by Parties)
- a Transmission Company member (appointed by NGC)
- consumer members (appointed by the relevant consumer body)
- no more than two independent members (appointed by the Chairman)²

The BSC Panel began work to review its own governance in November 2014, following the Board and BSC Panel jointly commissioning Bill Knight to carry out an independent review of ELEXON's governance. The CUSC panel should consider what lessons can be learnt from the BSC governance review and also whether a similar detailed independent review should be carried out for the CUSC panel.

Note the Proposer as part of Workgroup deliberations has subsequently amended or removed aspects of the above proposed solution. These changes are captured in section 4 of this report.

² For instance: the two independent members of the BSC are: Derek W. Bunn, Professor of Decision Sciences at London Business School; and Dr Phil Hare, Director at Pöry Management Consulting.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This modification will not impact an SCR or other significant industry change projects.

Consumer Impacts

Reform of the CUSC panel will enhance the independence, diversity and transparency of the CUSC panel voting process and of the CUSC decision making process itself. This will ensure that the CUSC panel makes independent decisions in the best interest of consumers. Consumers will have an enhanced perception that the CUSC process is free and fair.

4 Workgroup Discussions

The Workgroup convened five times between September 2017 and July 2018 to discuss the perceived issue, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Applicable CUSC Objectives. The Workgroup will in due course conclude these tasks after this consultation (taking account of responses to this consultation).

The Proposer presented the defect that they had identified in the CMP285 Proposal and through discussions at the Workgroup meetings, have amended the original proposed solution to either remove an aspect or tweak it. These changes are detailed below.

The Workgroup explored a number of aspects in its meetings to understand the implications of the proposed defect and potential solutions and what the attributes of the solution could be. The discussions and views of the Workgroup are outlined below.

1. Confirmation of the attributes of the CMP285 Proposal

The Proposer (following discussions at the Workgroups) confirmed that the scope of the Proposal would be as follows. Please note that later sections confirm the changes from the Proposal originally raised and presented to the CUSC Panel and what has now been included as the revised Proposal as follows.

Increased Transparency

- Grouping CUSC signatories under each parent company and limiting the maximum number of votes that a parent company can cast to four.
- Publish more detail to industry on the outcome of CUSC Panel Elections.

Independence and Diversity of Panel Members

- Under CMP285 a four year consecutive term limit would be introduced so a Panel Member could only stand for two consecutive terms.
- Five user elected Panel Members and two appointed independent Panel Members.
- Process to consider if post the outcome of the CUSC Panel Elections there is any knowledge gaps amongst the five elected Panel Members.

a) Should CUSC Signatories be grouped together

It was the view of the Proposer that for the purposes of the CUSC Panel Election process CMP285 would group the ultimate parent company with all subsidiaries i.e. first, second, third tier subsidiaries, etc. The subsidiaries would be defined as any company in which the parent holds a majority stake (i.e. 51%+ of shareholding) in any 'first tier' subsidiary and then any company in which the 'first tier subsidiary' owns a majority stake (i.e. 'a second tier' subsidiary) and so on until the entire structure of companies under the majority control of the ultimate parent company are grouped together as one CUSC 'parent company group' (referred to in the legal text as a Voting Group). Some of the Workgroup agreed with the Proposer's view whilst others noted that their preference was to remain as is e.g. one vote per CUSC Party. There was also some debate on the best way to define a Voting Group, including whether (although agreed not at this stage) Aggregators and other future developments could be proactively addressed.

It was noted that the BSC arrangements consider a Trading Party and each of its Affiliates to be a single 'trading party group' for the purposes of Panel Elections. Only one Trading Party in that trading party group can then vote³, and they can exercise two votes (i.e. one per Energy Account (production and consumption)). This is the same number of votes held by a Trading Party without any Affiliates, and therefore gives a level playing field between large and small Parties in the election process⁴. Under the CUSC it currently states that each subsidiary (i.e. each separate CUSC Party) is allocated an individual vote, which potentially gives some parent signatories a disproportionate cumulative influence over the outcome of the panel election voting process. The Proposer and some Workgroup Members considered it appropriate to have consistency across BSC and the CUSC (noting that BSC uses the concept of Affiliates, which is slightly broader than subsidiaries focused on for CUSC; however some Workgroup Members considered that the role and responsibilities of the two Panels were different in scope and that therefore there wasn't the need for consistency.

Please note that draft amendments to Section 8A.3 within the draft legal text detail these elements of the revised CMP285 Proposal.

b) Should Party Types be defined and elected under that Party Role e.g. Supplier or Generator?

The Proposer's view was that CMP285 would not look to introduce any arrangements to elect on a constitutional basis for the Panel Elections e.g. there would not be a Supplier Party type to be elected on behalf of Suppliers, or a Generator Party type to be elected on behalf of Generators, etc. The Work Group agreed and there are no current plans for the Work Group to further explore a constitutionally elected Panel.

³ This can be, but does not have to be, the parent Party.

⁴ See BSC Annex B2, Section 3. The BSC defines an Affiliate as meaning 'in relation to any Party, any holding company of that Party, any subsidiary of that Party or any subsidiary of a holding company of that Party, in each case within the meaning of section 1159 of the Companies Act 2006, but subject to Section X2.2.7 in relation to the Transmission Company [which says that BSCCo and any BSCCo Subsidiaries shall not be deemed to be an Affiliate of the Transmission Company]'.

c) What is the maximum number of votes that a Parent company could be cast?

The Proposer had originally proposed that the maximum number of votes to be cast by a parent company group would be five for each parent company i.e. including all subsidiaries. Following Workgroup discussions the Proposer has amended their proposal so that now the number of votes should be limited to the number of distinct roles (i.e. the role for which each separate CUSC signatory is registered) attributed to CUSC signatories under each parent company. The four suggested roles are as follows:

1. Generation;
2. Interconnection;
3. Supply; and
4. Demand

It was the view of the Proposer that this would partly align with the BSC approach to limit votes to BSC roles to prevent any Party from dominating the voting simply because they have many subsidiaries acceded to CUSC. An example of this would be for a parent company that has a portfolio of ten subsidiary CUSC signatories spanning Supply, Generation and Demand there would then be a maximum of three votes to cast rather than ten votes. It was clarified to the Workgroup that the BSC limits the votes to Trading Parties, and then to trading party groups, but doesn't limit further by role. Under the BSC each BSC Trading Party (or trading party group) currently gets two votes i.e. one per Energy Account. All Parties have two Energy Accounts, regardless of whether they're a Generator or Supplier (or both) so the number of votes isn't a consequence of the number of roles. A trading party group could, in theory, comprise 20 Trading Parties who collectively fulfil every single possible BSC role - however, that trading party group would still only get two votes i.e. the same as a small, non-integrated, Party.

Please note that draft amendments to Section 8A.3 within the draft legal text detail these elements of the revised CMP285 Proposal.

d) Should the outcome of the Panel Election vote be published?

It was the view of the Proposer that CMP285 would place a requirement on National Grid (as the Code Administrator) to publish the outcomes of the Panel Election votes to improve transparency, noting that this publication would not include who had voted but only the outcome of the vote (and number of votes for each candidate). The Proposer noted that currently the voting information is only shared directly with Ofgem. It was the view of the Workgroup that this would look to align CMP285 with the process for publication of voting that is used under the BSC Panel Elections⁵ and so the Workgroup agreed with this element of the Proposal.

⁵ BSC Annex B-2, Sections 1.2 and 1.3 require BSCCo to publish various election information including: the election results, the number of valid voting papers received and the number of votes received by candidates in each voting round.

Please note that draft amendments to Paragraph 8A.3.6.2 within the draft legal text detail these elements of the revised CMP285 Proposal.

e) Should a Dormant Party be eligible to vote in a CUSC Panel Election?

The Proposer believed that Dormant CUSC Parties⁶ should not be entitled to a vote (noting that they are also not presently entitled) and that the process for expelling any Dormant CUSC Parties from the CUSC signatory list should be streamlined. The Workgroup agreed with the Proposer's view, but noting that a review of this process was out of the scope CMP285.

f) Alternative Panel Members – who should determine which alternate is used should an elected Panel Member not be available for a CUSC Panel meeting?

The Workgroup discussed who should determine which alternate Panel Member should be called on to sit on the Panel in the scenario that an elected Panel Member was unable to attend a CUSC Panel meeting. It was the view of the Proposer that Panel Alternates should be selected by the CUSC Panel Chair based on the Chair's understanding of an Alternate member's expertise relevant to the modifications being considered. The Chair should also provide a rationale for choosing a particular Alternate member. If there is no "expertise differential" between Alternate members, the Proposer view is that the Chair should choose the Alternate member who has not served on the CUSC for the longest period. It was also discussed as to what would happen if the Chair did not appoint an Alternative and the view of the Proposer is that a rota based system would be used.

Some Workgroup members were supportive of the rotational approach. However, it was noted that if this approach was taken the Alternates might only get the chance to act as an Alternate once a year and they should be able attend a certain amount of meetings. The Workgroup members were supportive of the idea that alternates are to remain engaged throughout the Panel.

The Workgroup discussed how the Alternate Panel Members should remain engaged in the Panel so that they actively contribute when required.

The Workgroup also discussed what would happen should there not be enough alternate Panel Members to fill the gaps left by full Panel Members. It was the view of the Proposer that any Panel decisions could still take place as long as 50% of CUSC Panel Member places are filled.

A Workgroup member noted that the BSC has each Panel Member having an alternate and it is beholden on them to brief the alternate if they were unable to attend.

Please note that draft amendments to Paragraph 8.7 within the draft legal text detail these elements of the revised CMP285 Proposal.

⁶ Dormant CUSC Party are defined in Section 11 of the CUSC as being a CUSC Party which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the CUSC, as provided for in Section 5

g) Extending the notice period CUSC Panel Members must give to Code Administration in respect of notice of absence

The Proposer also considered that CMP285 should extend the notice period for Panel Members to confirm if they are unable to attend the Panel meeting to allow the Alternate Member sufficient time to prepare for the CUSC Panel meeting. It was the view of the Proposer that CUSC Panel Members should give five Working Days' notice of planned absence from the CUSC Panel to the CUSC Panel Chair and secretariat, so the appropriate Alternate member can be selected and notified (aligned with CUSC schedule 8.8.2b). In case of unplanned absence (i.e. illness) CUSC members should aim to notify the CUSC Chair as soon as possible with at least three hours' notice.

The Workgroup asked what the consequence would be if a Panel Member forgets to inform the Technical Secretary due to the absence being unplanned. A Workgroup member advised this runs the risk that the Panel may not be quorate and that by extending the notice period, this may help mitigate this risk that an alternative can attend the Panel meeting. The Proposer advised he had chosen five Working Days as this timescale is best practice in his view. This would allow enough time to find an Alternate Panel Member and for the Alternate to be able to prepare for the Panel meeting. It is possible that this time period could be reduced to three Working Days' notice to align with the current CUSC requirement that panel member gives at least three Working Days' notice of substantive items to be discussed at the CUSC (CUSC schedule 8.8.6).

A Workgroup member questioned if this would be a requirement or obligation under the CUSC and how this could be reflected in the legal text. It was the view of the Proposer that the legal text would use the concept of reasonable endeavours.

Please note that draft amendments to Paragraph 8.8.12 within the draft legal text detail these elements of the revised CMP285 Proposal.

h) Length of term for an elected Panel Member

The Proposer confirmed that CMP285 would still retain the length of term for an elected Panel Member to remain as two years. The Proposer and the Workgroup have aligning views on the length of term for the CUSC Panel.

i) Limiting how many times an existing Panel Member could stand for Election

It was the view of the Proposer that under CMP285 a four year consecutive term limit would be introduced so a Panel Member could only stand for two consecutive terms. The rationale was that limiting the term to two consecutive terms increases the likelihood of securing wider views and backgrounds on the CUSC Panel and building a wider base of industry expertise year by year by developing a wider group of individuals with experience of serving on the CUSC Panel. It was noted by the Proposer that CMP285 would allow for a previous Panel Member to re-stand after one election cycle off the CUSC panel so that the expertise of previously longstanding (i.e. those with two consecutive terms) members will not be lost. There were some concerns raised by Work Group members about placing a limit on consecutive terms. A Work Group member suggested a term limit which corresponds with the provisions detailed in the UK Corporate Governance Code e.g. a maximum term of 10 consecutive years for

company boards or the BSC Knight Report (for BSCCo Board Members)⁷. The Work Group also discussed whether these changes would be retrospective, i.e. would previous and current time served on the CUSC panel contribute to the two consecutive term limit. The Proposer clarified that the current proposal was for these changes not to be retrospective, meaning that previous time served on the panel before the 2019 elections will not be relevant to the proposed two-consecutive term limit.

A Workgroup member asked what the default arrangement would be if not enough individuals came forward for the Panel Election nominations. They suggested that to ensure continuity and engagement for Panel Election nominations, that half the Panel could be replaced every year. Some Workgroup members did not think this would be a suitable approach as this would mean a Panel Election would take place every year. Workgroup members agreed that this was an inefficient use of industry's time. Whilst other Workgroup Members considered that there was merit in allowing existing Panel Members to continue serving on the CUSC Panel as this created corporate memory. Concerns were also expressed by Workgroup Members on whether there would be enough people from industry to be interested in standing for election for the CUSC Panel.

Please note that draft amendments to Paragraph 8.5 within the draft legal text detail these elements of the revised CMP285 Proposal.

j) Should Independent Panel Members sit on the CUSC Panel – the independent model

The Proposer noted his preferred option would be the independent CUSC Panel Member model whereby paid independent members would be selected to fill any perceived knowledge and experience gaps in the CUSC panel membership following the CUSC Panel Election.

The Proposer explained that independent will be defined as any person not currently in the employ or having any material financial interest in a CUSC signatory. However, energy sector experience will still be required so that they will not be completely "independent"⁸ from the energy sector. The remuneration rate will be at the discretion of The Company, as per the arrangements of the Chair.

It was the view of the Proposer that all Panel Members should act independently but that CMP285 would introduce a "gateway" after each CUSC Panel Election it would be determined if there are any knowledge gaps amongst the five elected Panel Members (noting that the introduction of two independent members reduces the number of user elected panel members from seven to five – this will result in the total number of Panel Members, panel votes and Alternate Members being unchanged by the proposal.)

⁷UK Corporate Governance Code (April 2016) can be accessed using the following link:

<https://www.frc.org.uk/getattachment/ca7e94c4-b9a9-49e2-a824-ad76a322873c/UK-Corporate-Governance-Code-April-2016.pdf>

Elxon P324 documentation can be accessed using the following link: <https://www.elxon.co.uk/mod-proposal/p324/>

⁸ As may be considered under the BSC definition of independent members.

The Workgroup discussed how independent Panel members should be appointed with the rationale that the person has the relevant expertise. The proposer's view is that National Grid would be responsible for appointing the independent panel members in consultation with the CUSC panel chair, with Ofgem holding a veto. The independent members would be selected to fill any perceived knowledge and experience gaps in the CUSC panel membership following the CUSC Panel Election. However, if this does not secure support then a potential workgroup alternative modification could be for the CUSC Panel Chair and Ofgem to decide who has the relevant expertise needed for the Panel and reserve the extra two positions for individuals who meet these expertise criteria. The panel members for these positions would still need to be elected after satisfying the expertise criteria to enter the ballot and they would be permitted to be in the employ of CUSC parties but without receiving any additional remuneration.

A Workgroup member advised there are current provisions in the CUSC that state that Ofgem can already appoint a further Panel Member if in its opinion there is a class or category of person (whether or not a CUSC Party or a BSC Party) who have interests in respect of the CUSC but whose interests (Section 8.4.3):

- (i) are not reflected in the composition of Panel Members for the time being appointed; but
- (ii) would be so reflected if a particular person was appointed as an additional Panel Member

It was noted by Workgroup Members that they believe that Ofgem has never exercised this right in the past and that the CMP285 Proposal puts in place a "gateway" to ensure appropriate deliberation on independent members is always made following each CUSC Panel Election. Some Workgroup Members considered that the existing wording in Section 8.4.3 was sufficient whilst other Workgroup Members agreed with the Proposer that the CMP285 would mean the active review of the Panel composition.

It was confirmed that Section 8.4.3 would remain to ensure that Ofgem can appoint another Panel Member should it be considered to be a gap in expertise is identified at any point during the performance of CUSC duties and not just at the CUSC Panel Election stage.

Workgroup Members also noted that a concern over using independent Panel Members may be the lack of expertise given the very technical nature of some of the CUSC issues put forward to the CUSC Panel. It was noted that this would need to be considered as part of the appointment process for independent panel members.

Please note that draft amendments to Paragraph 8.3.1, Paragraph 8.4.2 and Paragraph 8.4.3 within the draft legal text detail these elements of the revised CMP285 Proposal.

k) Definition of appointed Independent Panel Member

The Workgroup discussed how independency could be assessed and what evidence would be required to show independency. Some Workgroup members felt this evidence would not be required; the person would **not** be classed as independent if they had some material financial interest in a CUSC signatory (this would not include pensions accrued from working for CUSC signatories in the past). Material financial interest is defined as any shares, equity or interest valued at an amount greater than £10,000 i.e. the value determined to be significant or material (in certain circumstances) under CUSC. The Proposer advised that under the current proposal, independent means

panel members will not currently be employed by any CUSC signatory but will likely have industry background and knowledge. A Workgroup member queried whether in terms of CUSC signatories this included people being employed by consultants and if so, whether those individuals are allowed to be an independent Panel member or whether they would be classed as an elected Panel member.

Members of the Workgroup queried whether there are any independent members on the BSC Panel. The ELEXON representative noted that under the BSC Panel make up, there are two members who are independent of BSC Parties but are appointed by the Panel Chair.⁹ These have historically included individuals who have expertise in policy, economics or governance from academic or (non-energy specific) industry.

The Proposer advised that his intention was for the independent members on the CUSC Panel to have a background in the energy industry in contrast to the BSC use of the term “independent”. The Workgroup discussed how the term independent Panel member needs to be clearly defined so that any person working for a CUSC signatory is not considered independent in this new context rather than the usual CUSC context. Members of the Workgroup suggested that the UK Corporate Governance Code (April 2016)¹⁰ could be a useful tool to help provide a definition of ‘independent’.

The current suggestion is that independent¹¹ will mean any person not currently in the employ of any CUSC signatory and it will be made clear that this person will likely be required to have energy sector experience and not “independent” from the energy sector (as may be considered for the BSC definition of independent members) and whether there would be a right of appeals process for a CUSC Party to dispute 'independent status' or use of Ofgem and right of veto.

Please note that draft amendments to Paragraph 8.3.1 (as defined within Section 11) within the draft legal text detail these elements of the revised CMP285 Proposal.

I) How independent Panel Members are paid and how much

It was the original view of the Proposer that the two independent CUSC Panel Members who have been selected based on an assessment of the current CUSC Panel make up by the CUSC Panel Chair and Ofgem would be remunerated at a rate reflective of the

⁹ See BSC Section B2.5. The BSC defines independent as meaning that the proposed Panel Member (or any Related Person to them) has not, in the year before the proposed Panel Member’s appointment: (i) been a BSC Party (or a Party to the precursor Pooling and Settlement Agreement); (ii) participated in the transmission, generation, supply or distribution of electricity in the UK; or (iii) been a BSC Agent or Market Index Data Provider. ‘Related Person’ means an immediate family member, a current employer (and any previous employer in the last 12 months), any partner, and any company or Affiliate in which they or an immediate family member control more than 20% of the voting rights in relation to shares. The proposed Panel Member must also, in the Panel Chairman’s opinion, have no other interests which would conflict with their independence as a Panel Member. The BSC requires the Panel Chairman to consult with the Panel on the appointment.

¹⁰ UK Corporate Governance Code (April 2016) can be accessed using the following link: <https://www.frc.org.uk/getattachment/ca7e94c4-b9a9-49e2-a824-ad76a322873c/UK-Corporate-Governance-Code-April-2016.pdf>

¹¹ This term “Independent” in this context is different to the BSC definition of Independent.

BSC Panel's independent members' remuneration. The ELEXON representative noted that the latest BSC remuneration for independent Panel members was as follows:

- The annual fee for each independent Panel member is £25,000 plus an additional sum of £1,000 per day or £500 per half-day for any meetings additional to the monthly Panel meeting, and £250 for each pre-Panel meeting attended¹².

The CMP285 Proposer suggested that the independent CUSC Panel members should align with these figures although this position has not been reflected in the legal text. There were mixed views within the workgroup on what the appropriate mechanism and remuneration could be in respect of the appointment of independent CUSC Panel members; the draft legal text has been drafted on the basis of being at the discretion of The Company as per the arrangements of the Chair although some members of the Workgroup felt that there should then be more transparency for both e.g. should their remuneration package be published.

m) Constituency based

The Proposer's view was that the CMP285 Proposal was based on the independent model and that a 'constituency based model' would not be needed if the independent model was selected because the two independent Panel Members will represent a wider diversity of industry backgrounds as selected by the CUSC Panel Chair and Ofgem. The Proposer noted that they may look to propose an alternative solution that would use a 'constituency model' if the independent Panel Members option is not widely supported. To define the constituency model in this context; the proposer is not suggesting that these two members would "represent" their section of the industry but would remain independent and elected panel members having been drawn from selected constituent backgrounds so that any perceived expertise gap on the CUSC could be filled by these positions. This would ensure diverse background and industry knowledge on the CUSC Panel. These would be elected and un-salaried positions and will serve alongside the five elected 'non-constituency' CUSC members for two years. Further details on this option are detailed later in this section.

n) Number of Panel Members

It was the view of the Proposer that CMP285 would continue to propose seven CUSC Members and five Alternates with five elected members (of the seven) being voted on to the CUSC Panel every two years by users and a further two independent members being added following the vote to fill any perceived "expertise gaps". The Proposer also confirmed that for the avoidance of doubt that the appointed Citizens Advice, Ofgem and National Grid Panel members will still remain and retain the same voting rights as today under CMP285.

¹² As published in the annual BSC report, this can be accessed using the following link:

https://www.elexon.co.uk/wp-content/uploads/2018/06/ELEXON-Limited-Report-and-Financial-Statements-2017_18.pdf

2. Attributes of the original CMP285 Proposal that have been removed

In addition to the attributes that have been amended by the Proposer, a number of attributes of the original solution were removed by the Proposer and are no longer included as part of the CMP285 Proposal. These are as follows:

- Requirement for 60% of all eligible CUSC Signatories to have cast a vote for an election to be valid.

The Proposer confirmed that this had been included but that after WG discussion it is now believed that it would not be appropriate to set a minimum % of votes cast for an election to be valid.

- Materially Impacted Parties permissible to vote in CUSC Panel Elections.

The Proposer confirmed that the CMP285 solution had been amended to no longer look to extend the voting rights for CUSC Panel Elections to Materially Impacted Parties. This is because they are not CUSC signatories and the process for deeming a party as a Materially Impacted Parties was with Ofgem and only in respect of raising CUSC Charging Modifications. This was therefore out of scope for CMP285.

3. Attributes not considered under the original CMP285 Proposal

The Proposer and the Workgroup explored whether other attributes which could be considered in relation to allocation of votes in the panel election voting process. These are recorded below, with the rationale for why it was not included.

- Use of **Market Share** in determining the number of votes a CUSC User could cast. This was discounted by the Proposer and the Workgroup as the view was that this would not prevent any party from dominating voting as the largest few companies would still dominate. Some of the Workgroup members believed there should be a capping, however some thought that capping would essentially produce the same outcome as a market share.
- Use of **Transmission Entry Capacity (TEC)** in determining the number of votes a CUSC User could cast. This was discounted by the Proposer and the Workgroup as the view was that this would not prevent any party from dominating voting as the largest few companies would still dominate.
- Use of **Transmission Network Use of System (TNUoS) invoice size** in determining the number of votes a CUSC User could cast. Again this has similar issues to those listed above.

These were all therefore discounted by the Proposer and the Workgroup as the view was that this would not prevent any party from dominating voting as the largest few companies could still dominate.

4. Potential Alternatives solutions

The Proposer noted that an alternative solution could be based on using a constituency model rather than the proposed independent member model and that this would contain the same attributes as the Original CMP285 Proposal.

Under the constituency model two Panel members would be drawn from selected backgrounds to ensure diverse background and industry knowledge on the CUSC Panel

(instead of 2 salaried independent members fulfilling this role). These positions are to be elected and un-salaried positions with the constituency from which they are drawn to be selected based on knowledge and expertise gaps that need to be filled as recommended by the CUSC Panel Chair and Ofgem.

In this case the two constituency based members will serve alongside the five 'non-constituency' CUSC members for two years. The constituency members will not "represent" the section of the industry from which they are drawn but will be expected to bring their knowledge to the CUSC deliberations which are carried out in the interests of consumers.

This option has not been fully developed and a question on which model industry thinks would be appropriate is included as a CMP285 specific workgroup consultation question.

Although no alternative proposals have been raised at this point in time, areas of debate within the workgroup have indicated there may be potential for alternatives to be raised by workgroup members in future.

5. How does the CMP285 Proposal improve engagement?

It was the view of the Proposer that the CMP285 Proposal would improve engagement as smaller companies will know that their CUSC Panel votes will count towards a greater percentage of the overall total. Some Workgroup Members, including the proposer considered that should CMP285 be approved and implemented that this would give the potential for greater diversity of backgrounds on the CUSC Panel and that will increase interest, confidence and perceived independence of the Panel. However a number of Workgroup Members did not agree noting that some aspects of the CMP285 Proposal may actually reduce industry participation such as limiting the number of terms a person may be elected to the CUSC Panel.

6. Will the CMP285 proposal improve the current process?

It was the view of the Proposer that the CMP285 Proposal sets out a number of initiatives to increase the transparency and fairness of the process to elect CUSC Panel Members by ensuring that some parties do not continue to hold a disproportionate influence over the election of independent Panel Members.

Furthermore the Proposer considered that the CMP285 Proposal will also aid the selection of Alternate Members based upon the CUSC Panel Chair's assessment of an alternate members ability to contribute to a given modification decision. The proposal also introduces enhancements to the process of the deadline for notifications of absence from CUSC Panel Members.

Whilst some Workgroup Members agreed that the CMP285 Proposed solution may aid transparency in reporting the outcome in more detail for CUSC Panel Elections concerns were raised on whether it would improve the process or provide additional burden on industry.

7. Does the proposal support time constraints for smaller parties?

The Proposer was of the view that the CMP285 Proposal supports time constraints for smaller parties as it will mean they will have a more equal voice in the CUSC Panel Elections. Additionally, smaller parties will have more confidence that knowledge of their industry (including new technology) will be found within the Panel itself through

independent members selected to fill knowledge gaps and through the CUSC Panel Chair's choice of Alternate members.

This view was not universally shared by Workgroup Members with some Workgroup Members voicing concerns on how smaller parties could look to engage or put forward nominations to be elected to the CUSC Panel.

8. Code Governance Reform - Consultative Board

Ofgem provided the Workgroup with an update from the workshops on Code Governance Reform¹³ and its proposals for establishing a consultative board (etc) to help further aid the Workgroup discussions. The Workgroup were advised that a positive feedback had been given on taking more of an evolutionary approach to code governance and modification proposals.

The Workgroup were advised there were discussions on how the current governance frameworks would work and if the Code Panel governance will be reviewed. It was noted changes are to be tested via the Retail Energy Code. The WG considers there to be minimal direct overlap between CMP285 and Code Governance Reform so CMP285 is able to proceed as planned without prior reference to any future outputs of Code Governance Reform.

9. Transitional Arrangements

The Workgroup considered that should CMP285 be approved, the implementation of CMP285 would not require any transitional arrangements.

CMP285 would not be retrospective meaning that all of the changes would come into effect without referring to previous years served on the CUSC by panel members. It should therefore be applicable for the next CUSC Panel Election in 2019 as long as an Authority decision is received no later than April/May 2019.

Below are indicative timelines for the 2019 CUSC Panel Elections:

- Code Administrator will send out invitations to CUSC Users (Schedule 1 of the CUSC) to nominate candidates mid to end **June 2019**.
- The Code Administrator will request return of the nominations forms by end of **July 2019**.
- Code Administrator will then circulate the list of candidates and voting papers or announce the outcome of the Election to CUSC Users early **August 2019**.

¹³ <https://www.ofgem.gov.uk/publications-and-updates/invitation-code-governance-remedies-workshop-q4-2017>

5 Workgroup Consultation questions

The CMP285 Workgroup is seeking the views of CUSC Parties and other interested parties in relation to the issues noted in this document and specifically in response to the questions highlighted in the report and summarised below. Please provide supporting rationale for your views.

Standard Workgroup Consultation questions:

- Q1:** Do you believe that CMP285 Original proposal better facilitates the Applicable CUSC Objectives?
- Q2:** Do you support the proposed implementation approach?
- Q3:** Do you have any other comments?
- Q4:** Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

Specific CMP285 Workgroup Consultations Questions:

- Q5:** Do you think the draft legal text delivers the intent of the revised Proposal?
- Q6:** As per the revised Proposal, do you believe that CUSC signatories owned under a controlling parent company structure should be grouped into voting groups to limit their votes to a maximum of four votes for the CUSC panel elections?
- Q7:** Do you have any alternative suggestions on how to ensure that some parent companies of CUSC parties are not able to potentially exercise overwhelming control over cumulative CUSC panel votes?
- Q8:** As per the revised Proposal, do you support an independent model i.e. two independent (and salaried) panel members to join the remaining five user elected panel members?
- Q9:** As per the revised Proposal, do you believe that the independent panel members should be remunerated for their services and do you believe the proposed remuneration arrangements are appropriate?
- Q10:** As per the revised Proposal, do you agree that the consecutive terms of office of panel members should be time limited? If so, is the proposed two consecutive term limit (i.e. four years before a panel member would have to take a one term break before standing for election again) appropriate?
- Q11:** Do you believe there is a need to build greater knowledge and experience of CUSC matters across the industry? If so, does the revised Proposal help to share the knowledge and experience by ensuring a wider range of individuals sit on the panel over time?
- Q12:** As per the revised Proposal, do you agree with the suggested use of panel alternates whereby panel members would no longer be able to select an alternate in their absence and alternates would instead be allocated on the basis of being selected by the chair, or being next of a rota?
- Q13:** As per the revised Proposal, do you agree with the proposed changes to the nomination and voting process under Section 8A i.e. nominated candidates must

provide additional information and parties wishing to vote must confirm their Voting Group to the Code Administrator in advance?

Please send your response using the response proforma which can be found on the National Grid website via the following link:

<https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code/modifications/cusc-governance-reform-levelling>

In accordance with Section 8 of the CUSC, CUSC Parties, BSC Parties, the Citizens Advice and the Citizens Advice Scotland may also raise a Workgroup Consultation Alternative Request. If you wish to raise such a request, please use the relevant form available at the weblink below:

<https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code-cusc/cusc-modifications>

Views are invited upon the proposals outlined in this report, which should be received by **5pm** on **10 September 2018**. Your formal responses may be emailed to: cusc.team@nationalgrid.com

If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality. A response marked "Private & Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".

6 Relevant Objectives

Impact of the modification on the Applicable CUSC Objectives (Standard):

Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Positive/Negative/None
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive/Negative/None
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Positive/Negative/None
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive/Negative/None

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

The implementation of these proposals will enhance the independence, transparency and diversity of the CUSC panel which will in turn enhance the ability of the panel to strive for the best outcomes for consumers.

7 Implementation

Proposer's initial view:

This modification should be concluded and implemented by January 2019 in order for the necessary CUSC governance changes to be made ahead of the 2019 CUSC panel elections. The implementation of these proposals will not entail any costs beyond any incidental expenditure in changes in the CUSC governance documents.

8 Legal Text

The draft legal text changes have been appended to this WG Consultation.

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR CMP285 WORKGROUP

CMP285 seeks to reform CUSC governance to enhance the independence and diversity of Panel members and ensure wider engagement from CUSC signatories.

Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal **CMP285 'CUSC Governance Reform – Levelling the Playing Field'** tabled by **UK Power Reserve** at the Modifications Panel meeting on 28 July 2017.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:

Standard Applicable Objectives

- (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License;
 - (b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
 - (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and
 - (d) Promoting efficiency in the implementation and administration of the system charging methodology.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
 - a) The Workgroup can demonstrate how any proposals would increase participation (nominations or voting)
 - b) Consider how and why CUSC Signatories could be 'grouped' together and how Joint Ventures are incorporated

- c) In setting the number for total votes for a grouped CUSC Signatories detail the basis on how this has been determined
 - d) Consider the appropriate % of votes to be casted for an Election to be valid and what the process would be if this % is not achieved and what the consequences would be
 - e) Process for an active Party becoming a Dormant Party
 - f) Consider how a Panel would ensure that there was continuous experience on the Panel if a set period that a candidate could hold office for
 - g) How more smaller participants could be become more involved in the process
 - h) Consider what funding model could be used for paying for a non-CUSC Party/Independent persons to be a Panel Member
 - i) Consider whether the Panel should be fully independent or independent from a constituency.
 - j) Consider the constitution of the Panel and whether any changes should be made to the composition
 - k) Define the process for use of Alternate (e.g. would this be the Panel Member or by Code Administration or via another means)
 - l) Consider how Materially Impacted Parties non CUSC Parties could be involved further in the process
 - m) Consider the CMA findings and work performed by other Code Bodies under Code Governance and best practice from other Code Bodies
 - n) Consider what changes to the CUSC Panel are permissible, e.g. what are the boundaries in relation to the CUSC Panel in context of the Ofgem Code Governance Review/Transmission Licence
 - o) Understand any consequential impact on any other codes and how a cross code model could work.
 - p) Define criteria to understand how the value of independence is judged.
6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
 7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
 8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
 9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
 10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of **15 working days** as determined by the Modifications Panel.

11. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary in **August 2018** for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on **31 August 2018**.

Membership

13. It is recommended that the Workgroup has the following members:

Role	Name	Representing
Chairman	Shazia Akhtar	Code Governance
Technical secretary	Lurrentia Walker	Code Governance
National Grid Representative	Michael Oxenham	National Grid
Industry Representatives	Michael Jenner Garth Graham Robert Longden Paul Mott James Anderson Lisa Waters	UK Power Reserve (Proposer) SSE Cornwall Energy EDF Scottish Power Waters Wye
Authority Representatives	Nadir Hafeez Trisha Quinn	OFGEM OFGEM
Observers	Claire Kerr	ELEXON

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The

agreed figure for CMP285 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.

15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise]. There may be up to three rounds of voting, as follows:
 - Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
 - Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
 - Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.
17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

Appendix 1 – Approved CMP285 Timetable

Workgroup Stage

20 July 2017	CUSC Modification Proposal submitted
28 July 2017	Modification Presented to the Panel
1 August 2017	Request for Workgroup Members (10 working days)
28 September 2017	Meeting 1 to ensure Workgroup members have a fully understanding of the context of the modification and Terms and Reference
7 November 2017	Meeting 2 – Review of evidence from Workgroup Activities List and agree next steps and confirm Workgroup consultation requirements
27 November 2017	Meeting 3 – Draft Workgroup Consultation Report
January to March 2018	Meetings to agree WG rpt
April 2018	Workgroup Consultation issued to the Industry (15WD)
May 2018 to July 2018	Workgroup Meeting - Workgroup review consultation responses, agree options, finalise legal text and WG vote
August 2018	Workgroup Report issued to CUSC Panel
August 2018	CUSC Panel meeting to discuss Workgroup Report

Code Administrator Stage

September 2018	Code Administration Consultation Report issued to the Industry (15 WD)
October 2018	Draft FMR published for industry comment (5 Working days)
November 2018	Draft Final Modification Report presented to Panel
November 2018	CUSC Panel Recommendation vote
December 2018	Final Modification Report issued the Authority
January/February 2019	Indicative Decision for the Authority
1 April 2019	Decision implemented in CUSC
Effective from date	Panel Election 2019

Revised CMP285 Timetable – Subject to Panel Approval in August
Workgroup Stage

10 August 2018	Workgroup Consultation issued to the Industry (20WD)
11 September to 18 October 2018	Workgroup Meeting - Workgroup review consultation responses, agree options, finalise legal text and WG vote
19 October 2018	Workgroup Report issued to CUSC Panel
26 October 2018	CUSC Panel meeting to discuss Workgroup Report

Code Administrator Stage

October 2018	Code Administration Consultation Report issued to the Industry (15 WD)
November 2018	Draft FMR published for industry comment (5 Working days)
November 2018	Draft Final Modification Report presented to Panel
November 2018	CUSC Panel Recommendation vote
December 2018	Final Modification Report issued the Authority
January/February 2019	Indicative Decision for the Authority
1 April 2019	Decision implemented in CUSC
Effective from date	Panel Election 2019

Annex 2: CMP285 Attendance Register

A – Attended

X – Absent

A/D – Dial-in

Name	Company	Role	28-Sep-2017	07-Nov-2017	27-Nov-2017	22-Jan-2018	17-Jul-2018
Caroline Wright	Code Admin	Chair	A	A	A	A	X
Shazia Akhtar	Code Admin	Chair	X	X	X	X	A
Heena Chauhan	Code Admin	Tec Sec	A	X	X	X	X
Lurrentia Walker	Code Admin	Tec Sec	X	A	A	A	X
Michael Jenner (Proposer)	UKPR	WG Member	A	A	A	A	A
Mike Oxenham	National Grid	WG Member	A	A	A	A	A
Garth Graham	SSE	WG Member	X (JA acting as alternate)	X	X	X	x
Andy Colley	SSE	WG Alternate	X	A/D	A/D	A/D	A
Robert Longden	Cornwall Energy	WG Member	A	A	A/D	A/D	A
Paul Mott	EDF Energy	WG Member	A	X	X	X	X
Binoy Dharsi	EDF Energy	WG Alternate	X	A	A/D	A	A
James Anderson	Scottish Power	WG Member	A	A	A/D	X	A
Lisa Waters	Waters Wye (Nominated by Severn Power Limited)	WG Member	A/D	A/D	A/D	A/D	X
Kyran Hanks	Waters Wye (Nominated by Severn Power Limited)	WG Alternate	X	X	X	X	A/D

Name	Company/role	Role	28-Sep-2017	07-Nov-2017	27-Nov-2017	22-Jan-2018	17-Jul-2018
Claire Kerr (observer)	ELEXON	Observer	A	A	A	A	A/D
Nadir Hafeez	Ofgem	Observer	A/D	A/D	X	X	X
Trisha Quinn	Ofgem	Observer	X	A/D	A/D	A/D	A/D
James Jackson	UKPR	Observer/WG Alternate	X	X	X	X	A



CUSC - SECTION 8

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CUSC MODIFICATION

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CUSC - SECTION 8
CUSC MODIFICATION

8. Part A

8.1 INTRODUCTION

8.1.1 This section of the **CUSC** sets out how the **CUSC** is to be amended and the procedures set out in this section, to the extent that they are dealt with in the **Code Administration Code of Practice**, are consistent with the principles contained in the **Code Administration Code of Practice**. Where inconsistencies or conflicts exist between the **CUSC** and the **Code Administration Code of Practice**, the **CUSC** shall take precedence. A modification to the **CUSC** may necessitate a modification to relevant **Bilateral Agreements** and/or to the **Mandatory Services Agreements** (and/or in certain circumstances the relevant **Construction Agreement**) and in those circumstances those agreements contain provisions for such alterations to be effected to those agreements.

8.1.2 There is a need to bring proposed amendments to the attention of **CUSC Parties** and others, to discuss such proposals and to report on them to the **Authority** and in furtherance of this, Section 8 provides for the establishment of a **CUSC Modifications Panel**, **Workgroups** and **Standing Groups** and for consultation by the **Code Administrator**.

8.1.3 Change Routes

- (a) A **CUSC Modification Proposal** may either proceed directly along the standard **CUSC Modification Process**, or it may be subject to additional process steps, if raised during a **Significant Code Review**.
- (b) If a **CUSC Modification Proposal** is deemed by the **CUSC Modifications Panel** to meet the **Self-Governance Criteria**, it will be subject to a slightly different process.
- (c) If a **CUSC Modification Fast Track Proposal** is determined by the **CUSC Modifications Panel** to meet the **Fast Track Criteria**, it will be subject to the process set out at Paragraph 8.29.

8.1.4 Significant Code Review

- (a) A **Significant Code Review** is a code review process initiated and led by the **Authority**, on one of a number of potential triggers. The **Authority** will launch a **Significant Code Review** on publication of a notice setting out matters such as the scope of the review, reasons for it and announcing the start date.
- (b) A **Significant Code Review Phase** begins on the start date set out in the **Authority's** notice, during which time **CUSC Modification Proposals** that relate to the subject matter of the review are restricted, to ensure the process is as efficient as possible. Once the **Authority** has published its **Significant Code Review** conclusions, the **Authority** may direct **The Company** to raise **CUSC Modification**

Proposals to put into effect the results of the Significant Code Review.

- (c) A process is set out in this Section 8 for analysing and consulting on **CUSC Modification Proposals** with a view to referring to the **Authority** those that may be restricted during a **Significant Code Review**. Subject to Paragraph 8.1.5, those **CUSC Modification Proposals** that are not so restricted proceed along the standard **CUSC Modification Process** of consultation with the industry followed by approval or non-approval by the **Authority**.

8.1.5 Self-Governance

In addition, **Self-Governance Criteria** are set out against which **CUSC Modification Proposals** must also be evaluated and consulted upon. If a proposal meets the criteria, it may proceed without **Authority** approval, and the **CUSC Modifications Panel** may consult on and determine itself whether to implement the **CUSC Modification Proposal**.

8.1.6 Fast Track

If the **CUSC Modifications Panel** unanimously determine that a **CUSC Modification Fast Track Proposal** meets the **Fast Track Criteria**, it will proceed without **Authority** approval, and will be subject to the process set out at Paragraph 8.29.

PART B

8.2 CODE ADMINISTRATOR

8.2.1 **The Company** shall establish and maintain a **Code Administrator** function, which shall carry out the roles referred to in Paragraph 8.2.2 and 8.3.3. **The Company** shall ensure the functions are consistent with the **Code Administration Code of Practice**.

8.2.2 The **Code Administrator** shall in conjunction with other code administrators, maintain, publish, review and (where appropriate) amend from time to time the **Code Administration Code of Practice** approved by the **Authority** provided that any amendments to the **Code Administration Code of Practice** proposed by the **Code Administrator** are approved by the **CUSC Modifications Panel** prior to being raised by the **Code Administrator**, and any amendments to be made to the **Code Administration Code of Practice** are approved by the **Authority**.

8.3 THE CUSC MODIFICATIONS PANEL

8.3.1 Establishment and Composition

- (a) The **CUSC Modifications Panel** shall be the standing body to carry out the functions referred to in Paragraph 8.3.3.
- (b) The **CUSC Modifications Panel** shall comprise the following members:
 - (i) the person appointed as the chairman of the **CUSC Modifications Panel** (the "**Panel Chairman**") in

accordance with Paragraph 8.4.1, who shall (subject to Paragraph 8.11.4) be a non-voting member;

- (ii) not more than ~~five~~^{seven} persons appointed by **Users** in accordance with Paragraph 8.4.2(a);
 - (iii) two persons appointed by **The Company** in accordance with Paragraph 8.4.2(c);
 - (iv) The **Consumer Representative**, appointed in accordance with Paragraph 8.4.2(b); ~~and~~
 - ~~(v)~~ the person appointed (if the **Authority** so decides) by the Authority in accordance with Paragraph 8.4.3; ~~and~~
 - ~~(v)~~ two persons appointed as **Independent Members** by **The Company** in accordance with Paragraph 8.4.2(d).
- (c) The **CUSC Modifications Panel** shall be assisted by a secretary ("**Panel Secretary**"), who shall be a person appointed and provided by the **Code Administrator** and who shall be responsible for the administration of the **CUSC Modifications Panel** and **CUSC Modification Proposals**.

8.3.2 **Authority's Representative**

A representative of the **Authority** shall be entitled to attend **CUSC Modifications Panel** meetings as an observer and may speak at any meeting. The **Authority** shall from time to time notify the **Panel Secretary** of the identity of the observer.

8.3.3 **Functions of the CUSC Modifications Panel and the Code Administrator's Role**

- (a) The **CUSC Modifications Panel** shall have the functions assigned to it in this Section 8.
- (b) Without prejudice to Paragraph 8.3.3(a) and to the further provisions of this Section 8, the **CUSC Modifications Panel** shall endeavour at all times to operate:
 - (i) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular **CUSC Modification Proposals**; and
 - (ii) with a view to ensuring that the **CUSC** facilitates achievement of the **Applicable CUSC Objectives**.
- (c) **The Company** shall be responsible for implementing or supervising the implementation of **Approved CUSC Modifications** and **Approved CUSC Modification Self Governance Proposals** and **Approved CUSC Modification Fast Track Proposals** in accordance with the provisions of the **CUSC** which shall reflect the production of the revised **CUSC**. The **Code Administrator** and **The Company** shall be responsible for implementing and supervising the implementation of any amendments to their respective systems and processes necessary for the implementation of the **Approved CUSC**

Modification- and, the **Approved CUSC Modification Self-Governance Proposals** provided there is no successful appeal and, , the **Approved CUSC Modification Fast Track Proposals** provided no objections are received in accordance with Paragraph 8.29. However, it will not include the implementation of **Users'** systems and processes. The **Code Administrator** will carry out its role in an efficient, economical and expeditious manner and (subject to any extension granted by the **Authority** where the **Code Administrator** has applied for one in accordance with Paragraph 8.3.3(d) or (e) in accordance with the **Implementation Date**.

- (d) Subject to notifying **Users**, the **Code Administrator** will, with the **Authority's** approval, apply to the **Authority** for a revision or revisions to the **Implementation Date** where the **Code Administrator** becomes aware of any circumstances which is likely to mean that the **Implementation Date** is unachievable, which shall include as a result of a **Legal Challenge**, at any point following the approval of the **CUSC Modification Proposal**.
- (e) In the event that the Authority's decision to approve or not to approve a **CUSC Modification Proposal** is subject of **Legal Challenge** (and the party raising such **Legal Challenge** has received from the relevant authority the necessary permission to proceed) then the **Code Administrator** will, with the **Authority's** approval, apply to the **Authority** for a revision or revisions to the **Proposed Implementation Date** in the **CUSC Modification Report** in respect of such **CUSC Modification Proposal** as necessary such that if such **CUSC Modification Proposal** were to be approved following such **Legal Challenge** the **Proposed Implementation Date** would be achievable.
- (f) Prior to making any request to the **Authority** for any revision pursuant to Paragraphs 8.3.3(d) (where it is necessary as a result of a **Legal Challenge**) or 8.3.3(e) the **Code Administrator** shall consult on the revision with **CUSC Parties** and such other person who may properly be considered to have an appropriate interest in it in accordance with Paragraphs 8.22.2 and 8.22.6. The request to the **Authority** shall contain copies of (and a summary of) all written representations or objections made by consultees during the consultation period.

8.3.4 Duties of Panel Members

- (a) A person appointed as a **Panel Member**, or an **Alternate Member**, by **Users** under Paragraph 8.3.1 or 8.7.2, by the **Authority** under Paragraph 8.4.3 and the person appointed as **Panel Chairman** under Paragraph 8.4.1, and each of their alternates when acting in that capacity:
 - (i) shall act impartially and in accordance with the requirements of the **CUSC**; and
 - (ii) shall not be representative of, and shall act without undue regard to the particular interests of the persons or body of persons by whom he was appointed as **Panel Member** and any **Related Person** from time to time.

- (b) Such a person shall not be appointed as a **Panel Member** or an **Alternate Member** (as the case may be) unless he shall have first:
 - (i) confirmed in writing to the **Code Administrator** for the benefit of all **CUSC Parties** that he agrees to act as a **Panel Member** or **Alternate Member** in accordance with the **CUSC** and acknowledges the requirements of Paragraphs 8.3.4(a) and 8.3.4(c);
 - ~~(ii)~~ where that person is employed, provided to the **Panel Secretary** a letter from his employer agreeing that he may act as **Panel Member** or **Alternate Member**, and that the requirement in Paragraph 8.3.4(a)(ii) shall prevail over his duties as an employee; ~~and~~
 - ~~(iii)~~ declared in writing to the **Code Administrator** for publication for the benefit of all **CUSC Parties** any interests (in relation to the **CUSC**) as are referred to in Paragraph 8.3.4(e).
- (c) A **Panel Member** or **Alternate Member** shall, ~~at the time of appointment and~~ upon any change in ~~such the~~ interests referred to in Paragraph 8.3.4(b)(iii), disclose such changes (in writing) to the **Panel Secretary** ~~any such interests (in relation to the **CUSC**) as are referred to in Paragraph 8.3.4(a)(ii).~~
- (d) Upon a change in employment of a **Panel Member** or **Alternate Member**, he shall so notify the **Panel Secretary** and shall endeavour to obtain from his new employer and provide to the **Panel Secretary** a letter in the terms required in Paragraph 8.3.4(b)(ii); and he shall be removed from office if he does not do so within a period of sixty (60) days after such change in employment.
- (e) The interests of any **Panel Member** or **Alternate Member** referred to in Paragraph 8.3.4(b)(iii) are:
 - (i) any interests (in relation to the **CUSC**) as are referred to in Paragraph 8.3.4(a)(ii); and
 - (ii) any shares owned or acquired in any **CUSC Party** or **CUSC Parties** at a total aggregate value of over £10,000.

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Pensions are not listed so are viewed to be excluded from these provisions.

8.4 APPOINTMENT OF PANEL MEMBERS

8.4.1 Panel Chairman

- (a) The **Panel Chairman** shall be an executive director (or other senior employee) of **The Company** until 30 September 2011. Thereafter the **Panel Chairman** shall be a person appointed (or re-appointed) by **The Company**, having particular regard to the views of the **CUSC Modifications Panel**, and shall be independent of **The Company**.
- (b) A person shall be appointed or re-appointed as the **Panel Chairman** where the **Authority** has approved such appointment or re-appointment and **The Company** has given notice to the **Panel Secretary** of such appointment, with effect from the date of such notice or (if later) with effect from the date specified in such notice.

8.4.2 Other Panel Members

- (a) **Users** may appoint **Panel Members** (and **Alternate Members**) by election in accordance with Annex 8A.
- (b) The **Citizens Advice** or the **Citizens Advice Scotland** may appoint one person as a **Panel Member** representing customers by giving notice of such appointment to the **Panel Secretary**, and may remove and re-appoint by notice.
- (c) **The Company** may appoint two persons as **Panel Members** by giving notice of such appointment to the **Panel Secretary**, and may remove and re-appoint by notice.
- (d) **The Company** shall appoint two persons as **Independent Members** by giving notice of such appointment to the **Panel Secretary**, and may remove and re-appoint by notice. A person shall not be appointed as an **Independent Member** unless he satisfies the requirements as to independence in Paragraph 8.4.3.

8.4.3 Independent Members

- (a) The requirements referred to in Paragraph 8.4.2(d) are:
 - (i) in the opinion of **The Company**, such person has no other material interests which would conflict with his independence as an **Independent Member**;
 - (ii) in the opinion of **The Company**, such person's interests reflect the interests of a class or category of **CUSC Party** whose interests are not reflected in the composition of **Panel Members** for the time being appointed under Paragraphs 8.4.2(a) to 8.4.2(c);
 - (iii) such person is not employed by any **CUSC Party**; and
 - (iv) the **Authority** has approved the appointment or re-appointment.

~~8.4.3~~ 8.4.4 Appointment of Further Member

- (a) If in the opinion of the **Authority** there is a class or category of person (whether or not a **CUSC Party** or a **BSC Party**) who have interests in respect of the **CUSC** but whose interests:
 - (i) are not reflected in the composition of **Panel Members** for the time being appointed; but
 - (ii) would be so reflected if a particular person was appointed as an additional **Panel Member**,

then the **Authority** may at any time appoint (or re-appoint) that person as a **Panel Member** by giving notice of such appointment to the **Panel Secretary** but in no event shall the **Authority** be able to appoint more than one person so that there could be more than one such **Panel Member**.

- (b) A person appointed as a **Panel Member** pursuant to this Paragraph 8.4.3 shall remain appointed, subject to Paragraphs 8.5 and 8.6, notwithstanding that the conditions by virtue of which he was appointed (for example that the interests he reflects are otherwise reflected) may cease to be satisfied.

8.4.48.4.5 Natural Person

No person other than an individual shall be appointed a **Panel Member** or his alternate.

8.5 TERM OF OFFICE

8.5.1 The term of office of a **Panel Member**, the **Panel Chairman** and **Alternate Members** shall be a period expiring on 30 September every second year following the **CUSC Implementation Date**. ~~Any Panel Member, the Panel Chairman and Alternate Member appointed under Paragraph 8.3.1(b)(i), 8.3.1(b)(iii), 8.3.1(b)(iv) and/or 8.3.1(b)(v)~~ shall be eligible for reappointment on expiry of his term of office.

8.5.18.5.2 ~~Any~~From the commencement of the first term commencing after the **CMP285 Implementation Date**, any **Panel Member** appointed under Paragraph 8.3.1(b)(ii) or 8.3.1(b)(vi) and any **Alternate Member** shall serve a maximum of two terms consecutively before becoming ineligible for appointment for a period of one term. For the avoidance of doubt, any term(s) served by a **Panel Member** prior to the commencement of the first term commencing after the **CMP285 Implementation Date** shall not count towards the maximum two consecutive terms limit.

8.6 REMOVAL FROM OFFICE

8.6.1 A person shall cease to hold office as the **Panel Chairman**, a **Panel Member** or an **Alternate Member**:

- (a) upon expiry of his term of office unless re-appointed;
- (b) if he:
 - (i) resigns from office by notice delivered to the **Panel Secretary**;
 - (ii) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iii) is or may be suffering from mental disorder and either is admitted to hospital in pursuance of an application under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1960 or an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person with respect to his property or affairs;
 - (iv) becomes prohibited by law from being a director of a company under the Companies Act 1985;
 - (v) dies; or

- (vi) is convicted on an indictable offence; or
- (c) as provided for in Paragraph 8.3.4(d);
- (d) if the **CUSC Modifications Panel** resolves (and the **Authority** does not veto such resolution by notice in writing to the **Panel Secretary** within fifteen (15) **Business Days**) that he should cease to hold office on grounds of his serious misconduct;
- ~~(e)~~ if the **CUSC Modifications Panel** resolves (and the **Authority** does not veto such resolution by notice in writing to the **Panel Secretary** within fifteen (15) **Business Days**) that he should cease to hold office due to a change in employer notwithstanding compliance with Paragraph 8.3.4(d); ~~and~~
- ~~(e)(f)~~ if the **CUSC Modifications Panel** resolves (and the **Authority** does not veto such resolution by notice in writing to the **Panel Secretary** within fifteen (15) **Business Days**) that an **Independent Member** should cease to hold office due to such **Independent Member** no longer meeting the requirements set out in Paragraph 8.4.3.

- 8.6.2 A **CUSC Modifications Panel** resolution under Paragraph 8.6.1(d) or (e) shall, notwithstanding any other paragraph, require the vote in favour of at least all **Panel Members** less one (other than the **Panel Member** or **Alternate Member** who is the subject of such resolution) and for these purposes an abstention shall count as a vote cast in favour of the resolution. A copy of any such resolution shall forthwith be sent to the **Authority** by the **Panel Secretary**.
- 8.6.3 A person shall not qualify for appointment as a **Panel Member** or **Alternate Member** if at the time of the proposed appointment he would be required by the above paragraph to cease to hold that office.
- 8.6.4 The **Panel Secretary** shall give prompt notice to all **Panel Members**, all **CUSC Parties** and the **Authority** of the appointment or re-appointment of any **Panel Member** or **Alternate Member** or of any **Panel Member** or **Alternate Member** ceasing to hold office and publication on the **Website** and (where relevant details are supplied to the **Panel Secretary**) despatch by electronic mail shall fulfil this obligation.

8.7 ALTERNATES

8.7.1 Alternate: Panel Chairman

The **Panel Chairman** shall preside at every meeting of the **CUSC Modifications Panel** at which he is present. If he is unable to be present at a meeting, he may appoint an alternate (who shall be a senior employee of **The Company**) to act as the **Panel Chairman**, who may or may not be a **Panel Member**. If neither the **Panel Chairman** nor his alternate is present at the meeting within half an hour of the time appointed for holding the meeting, the **Panel Members** present may appoint one of their number to be the chairman of the meeting.

8.7.2 Alternate(s): Users Panel Members and Independent Members

- (a) At the same time that **Users** appoint **Panel Members** under Paragraph 8.4.2(a), they shall appoint up to five (5) alternate

members for **Users' Panel Members** ("**Alternate Members**") by election in accordance with Annex 8A. Such Alternate Members may act as alternates for Panel Members appointed pursuant to Paragraphs 8.3.1(b)(ii) or 8.3.1(b)(vi).

- (b) Such **Alternate Members** will form a group from which ~~Panel Members appointed by Users~~ **the Panel Chairman**, (having due consideration as to the most appropriate **Alternate Member** in the circumstances) may select a person to act as ~~an~~ **their** alternate under this Paragraph 8.7.
- (c) ~~A Panel Member appointed by~~ Where a Panel Member gives the notice referred to in Paragraph 8.8.12 the Panel Chairman may appoint such an **Alternate Member** to be ~~an~~ **his** alternate for ~~any one~~ **the relevant CUSC Modifications Panel** meeting, and may remove a person so appointed as alternate, by giving notice of such appointment or removal to the **Panel Secretary**. ~~The~~ **Panel Chairman** must choose an **Alternate Member** who has not been already chosen ~~to replace by~~ another **Panel Member** for that **CUSC Modifications Panel** meeting. ~~In the event that the Panel Chairman elects not to exercise their right to appoint an Alternate Member the Panel Secretary shall appoint (through a rota system) the Alternate Member. If there are no Alternate Members left who have not already been so chosen by another Panel Member, the Panel Member may chose as his alternate any Alternate Member or other Panel Member who is not already acting as alternate for more than one Panel Member.~~
- (d) All information to be sent by the **Panel Secretary** to **Panel Members** pursuant to this Section 8 shall also be sent by the **Panel Secretary** to each **Alternate Member** (whether or not currently selected as an alternate for a **Panel Member**) by electronic mail (where relevant details shall have been provided by each **Alternate Member**).

8.7.3 Alternates: Other Panel Members

A **Panel Member** other than those appointed pursuant to Paragraphs 8.3.1(b)(ii) or 8.3.1(b)(vi) ~~by Users~~ may appoint a person (whether or not a **Panel Member**) to be his alternate, and may remove a person so appointed as alternate, by giving notice of such appointment or removal to the **Panel Secretary**.

8.7.4 Alternates: General Provisions

- (a) The appointment or removal by **Panel** of an alternate shall be effective from the time when such notice is given to the **Panel Secretary** or (if later) the time specified in such notice.
- (b) The **Panel Secretary** shall promptly notify all **Panel Members** and **CUSC Parties** of appointment or removal by any **Panel Member** of any alternate and publication on the **Website** and (where relevant details have been provided to the **Panel Secretary**) despatch by electronic mail shall fulfil this obligation.
- (c) In accordance with Paragraph 8.7.2, an alternate may act as alternate for more than one **Panel Member**.

8.7.5 Alternates: Rights, Cessation and References

- (a) Where the **Panel Chairman** or a **Panel Member** has appointed an alternate:
- (i) the alternate shall be entitled:
 - (aa) unless the ~~appointing~~ **Panel Member for whom he is acting as an alternate** shall otherwise notify the **Panel Secretary**, to receive notices of meetings of the **CUSC Modifications Panel**;
 - (bb) to attend, speak and vote at any meeting of the **CUSC Modifications Panel** at which the **Panel Member** ~~by whom he was appointed~~ **for whom he is acting as an alternate** is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such **Panel Member**;
 - (ii) the alternate shall cast one vote for each **Panel Member** ~~for whom he is acting as an alternate~~ ~~by whom he was appointed~~, in addition (where he is a **Panel Member** himself) to his own vote;
 - (iii) Paragraphs 8.8, 8.9, 8.10, 8.11 and 8.12 shall apply to the alternate as if he were the ~~appointing~~ **Panel Member from whom he is acting as an alternate** and a reference to a **Panel Member** elsewhere in the **CUSC** shall, unless the context otherwise requires, include his duly appointed alternate.
 - (iv) for the avoidance of doubt, the ~~appointing~~ **Panel Member for whom an alternate has been appointed** shall not enjoy any of the rights transferred to the alternate at any meeting at which, or in relation to any matter on which, the alternate acts on his behalf.
- (b) A person appointed as an alternate shall automatically cease to be such alternate:
- (i) if the ~~appointing~~ **Panel Member for whom he is acting as an alternate** ceases to be a **Panel Member**;
 - (ii) if any of the circumstances in Paragraph 8.6.1(b) applies in relation to such person,

but, in the case of an **Alternate Member**, shall continue to be an **Alternate Member** available for appointment under paragraph 8.7.2.

8.8 MEETINGS

8.8.1 Meetings of the **CUSC Modifications Panel** shall be held at regular intervals and at least every month at such time and such place as the **CUSC Modifications Panel** shall decide.

8.8.2 A regular meeting of the **CUSC Modifications Panel** may be cancelled if:

- (a) the **Panel Chairman** considers, having due regard to the lack of business in the agenda, that there is insufficient business for the **CUSC Modifications Panel** to conduct and requests the **Panel Secretary** to cancel the meeting;
 - (b) the **Panel Secretary** notifies all **Panel Members**, not less than five (5) **Business Days** before the date for which the meeting is to be convened, of the proposal to cancel the meeting; and
 - (c) by the time three (3) **Business Days** before the date for which the meeting is or is to be convened, no **Panel Member** has notified the **Panel Secretary** that he objects to such cancellation.
- 8.8.3 If any **Panel Member** wishes, acting reasonably, to hold a special meeting (in addition to regular meetings under Paragraph 8.8.1) of the **CUSC Modifications Panel**:
- (a) he shall request the **Panel Secretary** to convene such a meeting and inform the **Panel Secretary** of the matters to be discussed at the meeting;
 - (b) the **Panel Secretary** shall promptly convene the special meeting for a day as soon as practicable but not less than five (5) **Business Days** after such request.
- 8.8.4 Any meeting of the **CUSC Modifications Panel** shall be convened by the **Panel Secretary** by notice (which will be given by electronic mail if the relevant details are supplied to the **Panel Secretary**) to each **Panel Member** (and to the **Authority**):
- (a) setting out the date, time and place of the meeting and (unless the **CUSC Modifications Panel** has otherwise decided) given at least five (5) **Business Days** before the date of the meeting;
 - (b) accompanied by an agenda of the matters for consideration at the meeting and any supporting papers available to the **Panel Secretary** at the time the notice is given (and the **Panel Secretary** shall circulate to **Panel Members** any late papers as and when they are received by him).
- 8.8.5 The **Panel Secretary** shall send a copy of the notice convening a meeting of the **CUSC Modifications Panel**, and the agenda and papers accompanying the notice, to each **CUSC Party** and each **BSC Party** at the same time at which notice is given to the **Panel Members**, and publication on the **Website** and despatch by electronic mail (if the relevant details are supplied to the **Panel Secretary**) shall fulfil this obligation.
- 8.8.6 Any **Panel Member** (or, at the **Panel Member's** request, the **Panel Secretary**) may notify matters for consideration at a meeting of the **CUSC Modifications Panel** in addition to those notified by the **Panel Secretary** under Paragraph 8.8.4 by notice to all **Panel Members** and persons entitled to receive notice under Paragraph 8.8.5, not less than three (3) **Business Days** before the date of the meeting.
- 8.8.7 The proceedings of a meeting of the **CUSC Modifications Panel** shall not be invalidated by the accidental omission to give or send notice of the meeting or a copy thereof or any of the accompanying agenda or papers to, or failure to

receive the same by, any person entitled to receive such notice, copy, agenda or paper.

- 8.8.8 A meeting of the **CUSC Modifications Panel** may consist of a conference between **Panel Members** who are not all in one place (although at least one must be at the venue in the notice of meeting) but who are able (by telephone or otherwise) to speak to each of the others and to be heard by each of the others simultaneously.
- 8.8.9 With the consent of all **Panel Members** (whether obtained before, at or after any such meeting) the requirements of this Paragraph 8.8 as to the manner in and notice on which a meeting of the **CUSC Modifications Panel** is convened may be waived or modified provided that no meeting of the **CUSC Modifications Panel** shall be held unless notice of the meeting and its agenda has been sent to the persons entitled to receive the same under Paragraph 8.8.5 at least 24 hours before the time of the meeting.
- 8.8.10 Subject to Paragraph 8.8.11, no matter shall be resolved at a meeting of the **CUSC Modifications Panel** unless such matter was contained in the agenda accompanying the **Panel Secretary's** notice under Paragraph 8.8.4 or was notified in accordance with Paragraph 8.8.6.
- 8.8.11 Where:
- (a) any matter (not contained in the agenda and not notified pursuant to Paragraphs 8.8.4 and 8.8.6) is put before a meeting of the **CUSC Modifications Panel**, and
 - (b) in the opinion of the **CUSC Modifications Panel** it is necessary (in view of the urgency of the matter) that the **CUSC Modifications Panel** resolve upon such matter at the meeting,

the **CUSC Modifications Panel** may so resolve upon such matter, and the **CUSC Modifications Panel** shall also determine at such meeting whether the decision of the **CUSC Modifications Panel** in relation to such matter should stand until the following meeting of the **CUSC Modifications Panel**, in which case (at such following meeting) the decision shall be reviewed and confirmed or (but not with effect earlier than that meeting, and only so far as the consequences of such revocation do not make implementation of the **CUSC** or compliance by **CUSC Parties** with it impracticable) revoked.

8.8.12 Where any **Panel Member** is unable to attend a **CUSC Modifications Panel** he shall use reasonable endeavours to give at least three (3) **Business Days** prior notice to the **Panel Secretary**. In the event such absence is unforeseen (such as through illness) then the **Panel Member** shall use reasonable endeavours to give notice to the **Panel Secretary** no later than 07:00 on the day of the planned meeting.

8.9 PROCEEDINGS AT MEETINGS

- 8.9.1 Subject as provided in the **CUSC**, the **CUSC Modifications Panel** may regulate the conduct of and adjourn and reconvene its meetings as it sees fit.
- 8.9.2 Meetings of the **CUSC Modifications Panel** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party**, the **Citizen Advice** or the **Citizens Advice Scotland** and any person invited by the **Panel Chairman** and/or any other **Panel Member**.

- 8.9.3 The **Panel Chairman** and any other **Panel Member** may invite any person invited by them under Paragraph 8.9.2, and/or any attending representative of a **CUSC Party**, to speak at the meeting (but such person shall have no vote).
- 8.9.4 As soon as practicable after each meeting of the **CUSC Modifications Panel**, the **Panel Secretary** shall prepare and send (by electronic mail or otherwise) to **Panel Members** the minutes of such meeting, which shall be (subject to Paragraph 8.9.5) approved (or amended and approved) at the next meeting of the **CUSC Modifications Panel** after they were so sent, and when approved (excluding any matter which the **CUSC Modifications Panel** decided was not appropriate for such publication) shall be placed on the **Website**.
- 8.9.5 If, following the circulation of minutes (as referred to in Paragraph 8.9.4), the meeting of the **CUSC Modifications Panel** at which they were to be approved is cancelled pursuant to Paragraph 8.8.2, such minutes (including any proposed changes thereto which have already been received) shall be re-circulated with the notification of the cancellation of the meeting of the **CUSC Modifications Panel**. **Panel Members** shall confirm their approval of such minutes to the **Panel Secretary** (by electronic mail) no later than five (5) **Business Days** following such minutes being re-circulated. If no suggested amendments are received within such five (5) **Business Days** period, the minutes will be deemed to have been approved. If the minutes are approved, or deemed to have been approved, (excluding any matter which the **CUSC Modifications Panel** decided was not appropriate for such publication) they shall be placed on the **Website**. If suggested amendments are received within such five (5) **Business Days** period, the minutes shall remain unapproved and the process for approval (or amendment and approval) of such minutes at the next meeting of the **CUSC Modifications Panel**, as described in Paragraph 8.8.4, shall be followed.

8.10 QUORUM

- 8.10.1 No business shall be transacted at any meeting of the **CUSC Modifications Panel** unless a quorum is present throughout the meeting.
- 8.10.2 Subject to Paragraph 8.10.4, a quorum shall be 6 **Panel Members** who have a vote present (subject to 8.8.8) in person or by their alternates, of whom at least one shall be appointed by **The Company**.
- 8.10.3 If within half an hour after the time for which the meeting of the **CUSC Modifications Panel** has been convened a quorum is not present (and provided the **Panel Secretary** has not been notified by **Panel Members** that they have been delayed and are expected to arrive within a reasonable time):
- (a) the meeting shall be adjourned to the same day in the following week (or, if that day is not a **Business Day** the next **Business Day** following such day) at the same time;
 - (b) the **Panel Secretary** shall give notice of the adjourned meeting as far as practicable in accordance with Paragraph 8.8.
- 8.10.4 If at the adjourned meeting there is not a quorum present within half an hour after the time for which the meeting was convened, those present shall be a quorum.

8.11 VOTING

- 8.11.1 At any meeting of the **CUSC Modifications Panel** any matter to be decided which shall include the **CUSC Modifications Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the **Panel Chairman** or any **Panel Member**.
- 8.11.2 Subject to Paragraphs 8.7.5, 8.11.4 and 8.11.5, in deciding any matter at any meeting of the **CUSC Modifications Panel** each **Panel Member** other than the **Panel Chairman** shall cast one vote.
- 8.11.3 Except as otherwise expressly provided in the **CUSC**, and in particular Paragraph 8.6.2, any matter to be decided at any meeting of the **CUSC Modifications Panel** shall be decided by simple majority of the votes cast at the meeting (an abstention shall not be counted as a cast vote).
- 8.11.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter (except in a **CUSC Modifications Panel Recommendation Vote**) where votes are otherwise cast equally in favour of and against the relevant motion including, for the avoidance of doubt, in the **CUSC Modifications Panel Self-Governance Vote**, where the **Panel Chairman** is obliged to exercise his casting vote if votes are otherwise cast equally in favour of or against a **CUSC Modification Proposal**, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.
- 8.11.5 The two **Panel Members** appointed by **The Company** pursuant to Paragraph 8.3.1(b)(iii) shall together have one vote in relation to each matter which shall be cast jointly by agreement between them or, where only one of **The Company Panel Members** is present at a meeting, by that **The Company Panel Member**.
- 8.11.6 Any resolution in writing signed by or on behalf of all **Panel Members** shall be valid and effectual as if it had been passed at a duly convened and quorate meeting of the **CUSC Modifications Panel**. Such a resolution may consist of several instruments in like form signed by or on behalf of one or more **Panel Members**.

8.12 PROTECTIONS FOR PANEL MEMBERS

- 8.12.1 Subject to Paragraph 8.12.2 all **CUSC Parties** shall jointly and severally indemnify and keep indemnified each **Panel Member**, the **Panel Secretary** and each member of a **Workgroup** and **Standing Group** ("**Indemnified Persons**") in respect of all costs (including legal costs), expenses, damages and other liabilities properly incurred or suffered by such **Indemnified Persons** when acting in or in connection with his office under the **CUSC**, or in what he in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the **CUSC**, and all claims, demands and proceedings in connection therewith other than any such costs, expenses, damages or other liabilities incurred or suffered as a result of the wilful default or bad faith of such **Indemnified Person**.
- 8.12.2 The indemnity provided in Paragraph 8.12.1 shall not extend to costs and expenses incurred in the ordinary conduct of being a **Panel Member** or **Panel Secretary**, or member of a **Workgroup** or **Standing Group** including, without limitation, accommodation costs and travel costs or any remuneration for their services to the **CUSC Modifications Panel** or **Workgroup** or **Standing Group**.

- 8.12.3 The **CUSC Parties** agree that no **Indemnified Person** shall be liable for anything done when acting properly in or in connection with his office under the **CUSC**, or anything done in what he in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the **CUSC**. Each **CUSC Party** hereby irrevocably and unconditionally waives any such liability of any **Indemnified Person** and any rights, remedies and claims against any **Indemnified Person** in respect thereof.
- 8.12.4 Without prejudice to Paragraph 8.12.2, nothing in Paragraph 8.12.3 shall exclude or limit the liability of an **Indemnified Person** for death or personal injury resulting from the negligence of such **Indemnified Person**.

PART C

8.13 CUSC MODIFICATION REGISTER

- 8.13.1 The **Code Administrator** shall establish and maintain a register ("**CUSC Modification Register**") which shall record the matters set out in Paragraph 8.13.3.
- 8.13.2 The purpose of the **CUSC Modification Register** shall be to assist the **CUSC Modifications Panel** and to enable the **CUSC Modifications Panel**, **CUSC Parties** and any other persons who may be interested to be reasonably informed of the progress of **CUSC Modification Proposals** and **Approved CUSC Modifications** from time to time.
- 8.13.3 The **CUSC Modification Register** shall record in respect of current outstanding **CUSC Modifications Panel** business:
- (a) details of each **CUSC Modification Proposal** (including the name of the **Proposer**, the date of the **CUSC Modification Proposal** and a brief description of the **CUSC Modification Proposal**);
 - (b) whether such **CUSC Modification Proposal** is an **Urgent CUSC Modification Proposal**;
 - (c) the current status and progress of each **CUSC Modification Proposal**, if appropriate the anticipated date for reporting to the **Authority** in respect thereof, and whether it has been withdrawn, rejected or implemented for a period of three (3) months after such withdrawal, rejection or implementation or such longer period as the **Authority** may determine;
 - (d) the current status and progress of each **Approved CUSC Modification**, each **Approved CUSC Modification Self-Governance Proposal**, and each **Approved CUSC Modification Fast Track Proposal**; and
 - (e) such other matters as the **CUSC Modifications Panel** may consider appropriate from time to time to achieve the purpose of Paragraph 8.13.2.
- 8.13.4 The **CUSC Modification Register** (as updated from time to time and indicating the revisions since the previous issue) shall be published on the **Website** or (in the absence, for whatever reason, of the **Website**) in such other manner and with such frequency (being not less than once per month)

as the **Code Administrator** may decide in order to bring it to the attention of the **CUSC Modifications Panel**, **CUSC Parties** and other persons who may be interested.

8.14 PROGRESS REPORT

- 8.14.1 The **Code Administrator** shall prepare and submit to the **Authority** each month (or such less often period if there is no material matter arising to report) a progress report ("**Progress Report**") setting out the matters referred to in Paragraph 8.14.2 in respect of the preceding month and send a copy of the **Progress Report** to each **Panel Member**.
- 8.14.2 The **Progress Report** shall contain:
- (a) details of any proposal which has been refused pursuant to Paragraph 8.16.5 or Paragraph 8.16.6;
 - (b) the current version of the **CUSC Modification Register**;
 - (c) details of:
 - (i) the priority proposed to be accorded or that is accorded to each **CUSC Modification Proposal** in the **CUSC Modification Register** (in accordance with Paragraph 8.19.1);
 - (ii) the scheduling and timetable for consideration of each **CUSC Modification Proposal** and completion of the **CUSC Modification Report** in respect thereof in the context of all other current **CUSC Modification Proposals**;
 - (iii) the impact of the priority accorded to each **CUSC Modification Proposal** by reference to each other pending **CUSC Modification Proposal**;
 - (d) details of any decision to amalgamate **CUSC Modification Proposals** in accordance with Paragraph 8.19.2;
 - (e) details of any circumstances which lead **The Company** and/or the **CUSC Modifications Panel** to believe that the implementation date for an **Approved CUSC Modification** is unlikely to be met and, if so, why;
 - (f) such other matters as the **Authority** may request to be included from time to time; and
 - (g) the basis for each of the decisions referred to above.
- 8.14.3 If, following discussion with the **CUSC Modifications Panel**, the **Authority** issues a notice to the **Panel Secretary** requesting the **Code Administrator** and the **CUSC Modifications Panel** (in relation to developments and changes highlighted in the monthly **Progress Report**):
- (a) not to reject a **CUSC Modification Proposal** which does not satisfy Paragraph 8.16.4; and/or
 - (b) not to amalgamate **CUSC Modification Proposals** as set out in the monthly **Progress Report**; and/or

- (c) to accord a different priority to particular **CUSC Modification Proposals** from that set out in the monthly **Progress Report**; and/or
- (d) to amend the timetable for a **CUSC Modification Proposal**,

the **Panel Secretary** shall send a copy of the notice to each **Panel Member** and **Alternate Member**. The **CUSC Modifications Panel** and the **Code Administrator** shall comply with such notice.

- 8.14.4 The **Panel Secretary** shall publish each **Progress Report** on the **Website** within seven (7) **Business Days** after it is sent to the **Authority**, provided that the **Panel Secretary** shall exclude there from any matters in respect of which the **Authority** issues a notice to the **Panel Secretary** for the purpose of this Paragraph 8.14.4. Copies shall be sent to those **Panel Members**, **Alternate Members** and **CUSC Parties** who have provided electronic mail addresses to the **Code Administrator**.

8.15 CHANGE CO-ORDINATION

- 8.15.1 The **Code Administrator** shall establish (and, where appropriate, revise from time to time) joint working arrangements for change co-ordination with each **Core Industry Document Owner**, with the **STC** committee, the **CM Administrative Parties** and with the **Secretary of State** to facilitate the identification, co-ordination, making and implementation of change to **Core Industry Documents** and the **STC**, and facilitate the identification of potential inconsistencies between **CUSC Modification Proposals** and the **Capacity Market Documents** and the **CFD Documents** respectively consequent on a **CUSC Modification**, including, but not limited to, changes that are appropriate in order to avoid conflict or inconsistency as between the **CUSC** and any **Core Industry Document** and the **STC**, in a full and timely manner.
- 8.15.2 The working arrangements referred to in Paragraph 8.15.1 shall be such as to enable the consideration, development and evaluation of **CUSC Modification Proposals**, and the implementation of **Approved CUSC Modifications**, to proceed in a full and timely manner and enable changes to **Core Industry Documents** and the **STC** and for potential inconsistencies between **CUSC Modification Proposals** and the **Capacity Market Documents** and/or the **CfD Documents** to be raised with the **CM Administrative Parties** and the **Secretary of State** consequent on an amendment to be made and given effect wherever possible (subject to any necessary consent of the **Authority**) at the same time as such **CUSC Modification** is made and given effect.

8.16 CUSC MODIFICATION PROPOSALS

8.16.1

- (a) A proposal to modify the **CUSC** (excluding the **Charging Methodologies**) may be made:
 - (i) by a **CUSC Party**, by the **Citizens Advice**, by the **Citizens Advice Scotland**, or by a **BSC Party**; or
 - (ii) under Paragraph 8.28.5, by the **CUSC Modifications Panel**; or

- (iii) by a **Relevant Transmission Licensee** in relation to Exhibit O Part IB Exhibit O Part IIB, Exhibit O Part IC and Exhibit O Part IIC only; or
 - (iv) by the **Authority** or by **The Company** under the direction of the Authority, pursuant to Paragraph 8.17A.1.
 - (b) A proposal to modify the **Charging Methodologies** may be made:
 - (i) by a **CUSC Party**, by the **Citizens Advice**, by the **Citizens Advice Scotland** or by a **BSC Party**; or
 - (ii) under Paragraph 8.28.5, by the **CUSC Modifications Panel** ; or
 - (iii) by a **Relevant Transmission Licensee** in relation to Exhibit O Part IB, Exhibit O Part IIB, Exhibit O Part IC and Exhibit O Part IIC only; or
 - (iv) by a **Materially Affected Party**, unless otherwise permitted by the **Authority**.
 - (v) by the **Authority**, or by **The Company** under the direction of the **Authority**, pursuant to Paragraph 8.17A.1.
- 8.16.2 A proposal to modify the **Charging Methodologies** must be made by means of a **CUSC Modification Proposal**, which may not contain any proposal to modify any other section of the **CUSC**, and must comply (as applicable) with paragraph 5 of standard condition C4 (Charges for use of system) and paragraph 4 and 10(b) of standard condition C6 (Connection charging methodology) of the **Transmission Licence**. When making a **CUSC Modification Proposal** in respect of the **Charging Methodologies**, the **Proposer** may make specific reference to any link with another **CUSC Modification Proposal**.
- 8.16.3 A **Standard CUSC Modification Proposal** shall follow the procedure set out in Paragraphs 8.18 to 8.23.
- 8.16.4 A **CUSC Modification Proposal** shall be submitted in writing to the **Panel Secretary** and, subject to the provisions of Paragraph 8.16.4A below, shall contain the following information in relation to such proposal:
 - (a) the name of the **Proposer**;
 - (b) the name of the representative of the **Proposer** (and his alternate) who shall represent the **Proposer** in person for the purposes of this Paragraph 8.16;
 - (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
 - (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
 - (e) where possible, an indication of those parts of the **CUSC** which would require amendment in order to give effect to (and/or would otherwise

be affected by) the proposed modification and an indication of the nature of those amendments or effects;

- (f) the reasons why the **Proposer** believes that the proposed modification would better facilitate achievement of the **Applicable CUSC Objectives** as compared with the current version of the **CUSC** together with background information in support thereof;
- (g) the reasoned opinion of the **Proposer** as to why the proposed modification should not fall within a current **Significant Code Review**, whether the proposed modification meets the **Self-Governance Criteria** or whether the proposed modification should proceed along the **Standard CUSC Modification Proposal** route;
- (h) the reasoned opinion of the Proposer as to whether that impact is likely to be material and if so an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the **Authority** from time to time;
- (i) where possible, an indication of the impact of the proposed modification on **Core Industry Documents** and the **STC**, and an indication of potential inconsistencies between the **CUSC Modification Proposal** and the **Capacity Market Documents** and/or the **CfD Documents**;
- (j) where possible, an indication of the impact of the proposed modification on relevant computer systems and processes used by **CUSC Parties**; and
- (k) a statement to the effect that the **Proposer** acknowledges that on acceptance of the proposal for consideration by the **CUSC Modifications Panel** a **Proposer** which is not a **CUSC Party** shall grant a licence in accordance with Paragraph 8.16.9.

8.16.4A The **Proposer** of a **CUSC Modification Fast Track Proposal**, is not required to provide the items referenced at Paragraph 8.16.4 (f) – (j) inclusive, unless either:

- (a) the **CUSC Modifications Panel** has, pursuant to Paragraphs 8.29.5 or 8.29.6, not agreed unanimously that the **CUSC Modification Fast Track Proposal** meets the **Fast Track Criteria**, or has not unanimously approved the **CUSC Modification Fast Track Proposal**; or
- (b) there has been an objection to the **Approved CUSC Modification Fast Track Proposal** pursuant to Paragraph 8.29.12,

whereupon the **Proposer** shall be entitled to provide the additional information required pursuant to Paragraph 8.16.4 for a **CUSC Modification Proposal** within 28 days of the **Panel Secretary's** request. Where the **Proposer** fails to provide the additional information in accordance with such timescales, the **Panel Secretary** may reject such proposal in accordance with Paragraph 8.16.5.

- 8.16.5 if a proposal fails in any material respect to provide the information in Paragraph 8.16.4 (excluding Paragraphs (e), (i) and (j) thereof), the **Panel Secretary** may, subject to Paragraphs 8.14.3(a) and 8.17A.8, reject such proposal provided that:
- (a) the **Panel Secretary** shall furnish the **Proposer** with the reasons for such rejection;
 - (b) the **Panel Secretary** shall report such rejection to the **CUSC Modifications Panel** at the next **CUSC Modifications Panel** meeting, with details of the reasons;
 - (c) if the **CUSC Modifications Panel** decides to reverse the **Panel Secretary's** decision to refuse the submission, the **Panel Secretary** shall notify the **Proposer** accordingly and the proposal shall be dealt with in accordance with this Section 8;
 - (d) nothing in this Section 8 shall prevent a **Proposer** from submitting a revised proposal in compliance with the requirements of Paragraph 8.16.4 in respect of the same subject-matter.
- 8.16.6 Subject to Paragraph 8.17A.8 and without prejudice to the development of a **Workgroup Alternative CUSC Modification(s)** pursuant to Paragraphs 8.20.10 and 8.20.15, the **CUSC Modifications Panel** shall direct in the case of (a), and may direct in the case of (b), the **Panel Secretary** to reject a proposal pursuant to Paragraph 8.16, other than a proposal submitted by **The Company** pursuant to a direction issued by the **Authority** following a **Significant Code Review** in accordance with Paragraph 8.17.6, if and to the extent that such proposal has, in the opinion of the **CUSC Modifications Panel**, substantially the same effect as:
- (a) a **Pending CUSC Modification Proposal**; or
 - (b) a **Rejected CUSC Modification Proposal**, where such proposal is made at any time within two (2) months after the decision of the **Authority** not to direct **The Company** to modify the **CUSC** pursuant to the **Transmission Licence** in the manner set out in such **CUSC Modification Proposal**,
- and the **Panel Secretary** shall notify the **Proposer** accordingly.
- 8.16.7 Promptly upon receipt of a **CUSC Modification Proposal**, the **Panel Secretary** shall:
- (a) allocate a unique reference number to the **CUSC Modification Proposal**;
 - (b) enter details of the **CUSC Modification Proposal** on the **CUSC Modification Register**.
- 8.16.8 Subject to Paragraphs 8.8.6, 8.29 and 8.17B, where the **CUSC Modification Proposal** is received more than five (5) **Business Days** prior to the next **CUSC Modifications Panel** meeting, the **Panel Secretary** shall place the **CUSC Modification Proposal** on the agenda of the next **CUSC Modifications Panel** meeting and otherwise shall place it on the agenda of the next succeeding **CUSC Modifications Panel** meeting.

8.16.9 It shall be a condition to the right to make a proposal to modify the **CUSC** under this Paragraph 8.16 that the **Proposer**:

- (a) grants a non-exclusive royalty free licence to all **CUSC Parties** who request the same covering all present and future rights, **IPRs** and moral rights it may have in such proposal (as regards use or application in Great Britain); and
- (b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the **Proposer** that such person has any **IPRs** or normal rights or rights of confidence in such proposal,

and, in making a proposal, a **Proposer** which is a **CUSC Party** shall be deemed to have granted the licence and given the warranty in (a) and (b) above.

The provisions of this Paragraph 8.16.9 shall apply to any **WG Consultation Alternative Request**, and also to a **Relevant Party** supporting a **CUSC Modification Proposal** in place of the original Proposer in accordance with Paragraph 8.16.10 (a) for these purposes the term **Proposer** shall include any such **Relevant Party** or a person making such a **WG Consultation Alternative Request**.

8.16.10 Subject to Paragraph 8.17A.8 (which deals with rejection by the **Panel Secretary** of **CUSC Modification Proposals** which are necessary to comply with or implement the **Electricity Regulation** and/or any relevant legally binding decisions of the **European Commission** and/or the **Agency**), Paragraph 8.17A.4 (which deals with withdrawal of an **CUSC Modification Proposal** in relation to a **Significant Code Review**) and Paragraph 8.17C.1 (which deals with the withdrawal of a **CUSC Modification Proposal** following a **Backstop Direction**) and Paragraph 8.17.7, (which deals with the withdrawal of a **CUSC Modification Proposal** made pursuant to a direction following a **Significant Code Review**), a **Proposer** may withdraw his support for a **Standard CUSC Modification Proposal** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Recommendation Vote** undertaken in relation to that **Standard CUSC Modification Proposal** pursuant to Paragraph 8.23.4, and a **Proposer** may withdraw his support for a **CUSC Modification Proposal** that meets the **Self-Governance Criteria** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Self-Governance Vote** undertaken in relation to that **CUSC Modification Proposal** pursuant to Paragraph 8.25.9, and a **Proposer** may withdraw his support for a **CUSC Modification Fast Track Proposal** by notice to the **Panel Secretary** at any time prior to the **Panel's** vote on whether to approve the **CUSC Modification Fast Track Proposal** pursuant to Paragraph 8.29, in which case the **Panel Secretary** shall forthwith:

- (a) notify those parties specified in Paragraph 8.16.1 as relevant in relation to the **CUSC Modification Proposal** in question (a "**Relevant Party**") that he has been notified of the withdrawal of support by the **Proposer** by publication on the **Website** and (where relevant details are supplied) by electronic mail. A **Relevant Party** may within five (5) **Business Days** notify the **Panel Secretary** that it is prepared to support the **CUSC Modification Proposal** in place of the original **Proposer**. If such notice is received, the name of such **Relevant Party** shall replace that of the original **Proposer** as the

Proposer, and the **CUSC Modification Proposal** shall continue. If more than one notice is received, the first received shall be utilised;

- (b) if no notice of support is received under (a), the matter shall be discussed at the next **CUSC Modifications Panel** meeting. If the **CUSC Modifications Panel** so agrees, it may notify **Relevant Parties** that the **CUSC Modification Proposal** is to be withdrawn, and a further period of five (5) **Business Days** shall be given for support to be indicated by way of notice;
- (c) if no notice of support is received under (a) or (b), the **CUSC Modification Proposal** shall be marked as withdrawn on the **CUSC Modification Register**;

Code Administrator as Critical Friend

8.16.11 The **Code Administrator** shall provide assistance insofar as is reasonably practicable and on reasonable request to parties with an interest in the **CUSC Modification Process** (including, in particular, **Small Participants** and consumer representatives, and, for the purposes of preparing modifications to the **Charging Methodologies** only, **Materially Affected Parties**) that request it in relation to the **CUSC**, as provided for in the **Code Administration Code of Practice**, including, but not limited to, assistance with:

- (a) Drafting a **CUSC Modification Proposal** including, in relation to **Materially Affected Parties**, drafting a **CUSC Modification Proposal** in respect of the **Charging Methodologies**;
- (b) Understanding the operation of the **CUSC**;
- (c) Their involvement in, and representation during, the **CUSC Modification Process** (including but not limited to **CUSC Modifications Panel**, and/or **Workgroup** meetings) as required or as described in the **Code Administration Code of Practice**; and
- (d) Accessing information relating to the **Charging Statements** (subject to any charge made by **The Company** to cover its reasonable costs of providing the **Charging Statements** in accordance with Paragraph 8.16.12), and any amendment, revision or notice of proposed amendment to the **Charging Statements**, **CUSC Modification Proposals** and/or **CUSC Modifications Proposals** that have been implemented.

8.16.12 **The Company** may provide information in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology) of the **Transmission Licence**; and insofar as reasonably practicable, the provision by **The Company** of such other information or assistance as a **Materially Affected Party** may reasonably request for the purposes of preparing a proposal to modify the **Charging methodologies**.

8.17 SIGNIFICANT CODE REVIEW

Significant Code Review Phase

8.17.1 If any party specified under Paragraph 8.16.1 makes a **CUSC Modification Proposal** during a **Significant Code Review Phase**, unless exempted by the

Authority or unless Paragraph 8.17.4(b) applies, the **CUSC Modifications Panel** shall assess whether the **CUSC Modification Proposal** falls within the scope of a **Significant Code Review** and the applicability of the exceptions set out in Paragraph 8.17.4 and shall notify the **Authority** of its assessment, its reasons for that assessment and any representations received in relation to it as soon as practicable.

- 8.17.2 The **CUSC Modifications Panel** shall proceed with the **CUSC Modification Proposal** made during a **Significant Code Review Phase** in accordance with Paragraph 8.18 (notwithstanding any consultation undertaken pursuant to Paragraph 8.17.5 and its outcome), unless directed otherwise by the **Authority** pursuant to Paragraph 8.17.3.
- 8.17.3 Subject to Paragraph 8.17.4, the **Authority** may at any time direct that a **CUSC Modification Proposal** made during a **Significant Code Review Phase** falls within the scope of a **Significant Code Review** and must not be made during the **Significant Code Review Phase**. If so directed, the **CUSC Modifications Panel** will not proceed with that **CUSC Modification Proposal**, and the **Proposer** shall decide whether the **CUSC Modification Proposal** shall be withdrawn or suspended until the end of the **Significant Code Review Phase**. If the **Proposer** fails to indicate its decision whether to withdraw or suspend the **CUSC Modification Proposal** within twenty-eight (28) days of the **Authority's** direction, it shall be deemed to be suspended. If the **CUSC Modification Proposal** is suspended, it shall be open to the **Proposer** at the end of the **Significant Code Review Phase** to indicate to the **CUSC Modifications Panel** that it wishes that **CUSC Modification Proposal** to proceed, and it shall be considered and taken forward in the manner decided upon by the **CUSC Modifications Panel** at the next meeting, and it is open to the **CUSC Modifications Panel** to take into account any work previously undertaken in respect of that **CUSC Modification Proposal**. If the **Proposer** makes no indication to the **CUSC Modifications Panel** within twenty-eight (28) days of the end of the **Significant Code Review Phase** as to whether or not it wishes the **CUSC Modification Proposal** to proceed, it shall be deemed to be withdrawn.
- 8.17.4 A **CUSC Modification Proposal** that falls within the scope of a **Significant Code Review** may be made where:
- (a) the **Authority** so determines, having taken into account (among other things) the urgency of the subject matter of the **CUSC Modification Proposal**; or
 - (b) the **CUSC Modification Proposal** is made by **The Company** pursuant to Paragraph 8.17.6.
- 8.17.5 Where a direction under Paragraph 8.17.3 has not been issued, paragraph 8.17.4 does not apply and the **CUSC Modifications Panel** considers that a **CUSC Modification Proposal** made during a **Significant Code Review Phase** falls within the scope of a **Significant Code Review**, the **CUSC Modifications Panel** may consult on its suitability as part of the **Standard CUSC Modification Proposal** route set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

End of Significant Code Review Phase

- 8.17.6 Within twenty-eight (28) days after the **Authority** has published its **Significant Code Review** conclusions, the **Authority** may:

- (a) issue to **The Company** directions, including directions to **The Company** to make **CUSC Modification Proposals**; or
 - (b) itself make a **CUSC Modification Proposal** arising from the relevant **Significant Code Review**
- 8.17.6A If the **Authority** issues a statement that it will continue work and/or issues a direction in accordance with Paragraph 8.17.C.1 then the **Significant Code Review Phase** will be deemed to have ended when:
- (a) the **Authority** issues a statement that the **Significant Code Review Phase** has ended;
 - (b) one of the circumstances in Paragraphs 8.17.6(a) or 8.17.8 occurs (irrespective of whether such circumstance occurs within 28 days after the **Authority** has published its **Significant Code Review** conclusions); or
- 8.17.7 Where the **Authority** issues directions pursuant to Paragraph 8.17.6(a) **The Company** shall comply with those directions and the **Significant Code Review Phase** shall be deemed to have ended on the date on which **The Company** makes a **CUSC Modification Proposal** in accordance with the **Authority's** directions.
- 8.17.8 Where the **Authority** makes a **CUSC Modification Proposal** pursuant to 8.17.6(b) , the **Significant Code Review Phase** shall be deemed to have ended on the date on which the **Authority** makes such **CUSC Modification Proposal**.
- 8.17.9 Where a **CUSC Modification Proposal** is raised pursuant to Paragraph 8.17.6, that **CUSC Modification Proposal** shall be treated as a **Standard CUSC Modification Proposal** and shall proceed through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.18, 8.19, 8.20, 8.22 and 8.23. Such **Authority** conclusions and directions shall not fetter the voting rights of the **Panel Members** or any recommendation it makes in relation to any **CUSC Modification Proposal** or the recommendation procedures informing the **CUSC Modification Report**.
- 8.17.10 **The Company** may not, without the prior consent of the **Authority**, withdraw a **CUSC Modification Proposal** made pursuant to a direction issued by the **Authority** pursuant to Paragraph 8.17.6 (a).
- 8.17.11 If within twenty-eight (28) days after the **Authority** has published its **Significant Code Review** conclusions, the **Authority** issues to **The Company** a statement that no directions will be issued in relation to the **CUSC**, then the **Significant Code Review Phase** shall be deemed to have ended on the date of such statement.
- 8.17.12 Unless the **Authority** issues a statement in accordance with Paragraph 8.17.6A, if up to and including twenty-eight (28) days from the **Authority's** publication of its **Significant Code Review** conclusions, the **Authority** has issued to **The Company** neither directions pursuant to Paragraph 8.17.6(a) nor a statement pursuant to Paragraph 8.17.11, nor has the **Authority** made a **CUSC Modification Proposal** as described in Paragraph 8.17.6(b) then the **Significant Code Review Phase** will be deemed to have ended.

8.17A AUTHORITY RAISED OR DIRECTED MODIFICATION

- 8.17A.1 The **Authority** may:
- (a) itself; or
 - (b) direct **The Company** to
- raise a **CUSC Modification Proposal** where the **Authority** reasonably considers that such **CUSC Modification Proposal** is necessary to comply with or implement the **Electricity Regulation** and/or any relevant legally binding decisions of the European Commission and/or the **Agency** or in respect of a Significant Code Review.
- 8.17A.2 **The Company** shall comply with any directions from the **Authority** in relation to setting and/or amending a timetable for;
- (a) the raising of a **CUSC Modification Proposal** pursuant to Paragraph 8.17A.1(b); and/or
 - (b) where the **Authority** has approved a **CUSC Modification Proposal** raised pursuant to Paragraph 8.17A.1, implementation of such **CUSC Modification Proposal**.
- 8.17A.3 In respect of a **CUSC Modification Proposal** raised pursuant to Paragraph 8.17A.1, the **CUSC Modification Panel** shall comply with any timetable(s) directed by the **Authority** in relation to setting and/or amending a timetable for the completion of all relevant steps of the **CUSC Modification Process** or such other processes set out in this Section 8.
- 8.17A.4 Notwithstanding any other Paragraphs in this Section 8, a **CUSC Modification Proposal** raised pursuant to Paragraph 8.17A.1:
- (a) shall not be withdrawn by the **Transmission Company** and/or the **CUSC Modification Panel** without the prior consent of the **Authority**.
 - (b) shall not be amalgamated with any other **CUSC Modification Proposal** without the prior consent of the **Authority**.
- 8.17A.5 If, pursuant to paragraph 8.17A.4(a), the **Authority** consents to the withdrawal of a **CUSC Modification Proposal**, the provisions of Paragraph 8.16.10 shall apply to such **CUSC Modification Proposal**.
- 8.17A.6 In respect of any **CUSC Modification Proposal** which has been raised pursuant to Paragraph 8.17A.9, the views of the relevant **Workgroup**, the voting rights of the **CUSC Modifications Panel** or the recommendation of the **CUSC Modifications Panel** shall not be fettered or restricted notwithstanding that such **CUSC Modification Proposal** has been raised under Paragraph 8.17A.9.
- 8.17A.7 A **CUSC Modification Proposal** shall still be assessed against the **Self Governance Criteria** and **Fast Track Criteria** notwithstanding that it has been raised pursuant to Paragraph 8.17A.1.

- 8.17A.8 A **CUSC Modification Proposal** raised pursuant to Paragraph 8.17A.1 shall not be rejected by the **Panel Secretary** pursuant to Paragraphs 8.16.5 or 8.16.6.
- 8.17A.9 In relation to any **CUSC Modification Proposal** raised by **The Company** other than pursuant to Paragraph 8.17A.1, where the **Authority** reasonably considers such **CUSC Modification Proposal** to be necessary to comply with or implement the **Electricity Regulation** and/or any relevant legally binding decision of the **European Commission** and/or the **Agency**, the provisions of Paragraphs 8.17A.2 to 8.17A.8 shall apply.

8.17B AUTHORITY LED SCR MODIFICATION

- 8.17B.1 Where the **Authority** has issued a statement in accordance with Paragraph 8.17.6A and/or a **Backstop Direction** in accordance with Paragraph 8.17C, the **Authority** may submit an **Authority Led CUSC Modification Proposal** for an **Authority Led CUSC Modification** directly to the **CUSC Panel**.
- 8.17B.2 In response to an **Authority Led CUSC Modification Proposal** the **CUSC Panel** shall prepare an **Authority Led CUSC Modification Report** which shall include all the items listed in 8.23.2 (a)-(k) and in particular, as identified in the Licence:
- (a) an evaluation of the proposed modification; and
 - (b) an assessment of the extent to which the proposed modification would better facilitate achievement of the applicable **CUSC** objective(s); and
 - (c) a detailed explanation of the **CUSC Panel's** reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the **Authority** from time to time); and
 - (d) a timetable for implementation of the proposed modification, including the date with effect from which such proposed modification could take effect.
- 8.17B.3 The **Authority Led CUSC Modification Report** shall be submitted to the **Authority** taking into account the complexity, importance and urgency of the proposed modification, and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.
- 8.17B.4 The **Authority** can require the revision and re-submission of the **Authority Led CUSC Modification Report**, such resubmission to be made, if required by a direction issued by the **Authority** in accordance with Paragraph 8.23.12, as soon after the **Authority's** direction as is appropriate taking into account the complexity, importance and urgency of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

- 8.17B.5 The timetable referred to in Paragraph 8.17B.2 (d) for implementation of any proposed modification shall be in accordance with any direction(s) issued by the **Authority** for the implementation of a proposed modification where no such direction has been issued by the **Authority**, the timetable shall be such as will enable the modification to take effect as soon as practicable after the **Authority** has directed that such modification should be made, account being taken of the complexity, importance of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice with the **Authority** having discretion to change the timetable.
- 8.17B.6 The timetable for the completion of the procedural steps for an **Authority Led CUSC Modification**, as outlined in Paragraphs 8.17B.2, 8.17B.3, 8.17B.4, shall be set by the **Authority** in its sole discretion.
- 8.17B.7 The **Authority's** published conclusions and directions and the **Authority Led CUSC Modification Proposal** shall not fetter the voting rights of the **Panel Members** or any recommendation it makes in relation to any **Authority Led CUSC Modification Proposal** or the procedures informing the report described at Paragraph 8.17B.2.

8.17C BACKSTOP DIRECTION

- 8.17C.1 Where a CUSC Modification Proposal has been made in relation to a Significant Code Review in accordance with Paragraph 8.17A.1 the Authority may issue a direction (a "Backstop Direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review phase to recommence.

8.18 CUSC MODIFICATION PROPOSAL EVALUATION

- 8.18.1 This Paragraph 8.18 is subject to the **Urgent CUSC Modification Proposals** procedures set out in Paragraph 8.24 and the **Significant Code Review** procedures set out in Paragraph 8.17.
- 8.18.2 A **CUSC Modification Proposal** shall, subject to Paragraph 8.16.8, be discussed by the **CUSC Modifications Panel** at the next following **CUSC Modifications Panel** meeting convened.
- 8.18.3 The **Proposer's** representative shall attend such **CUSC Modifications Panel** meeting and the **CUSC Modifications Panel** may invite the **Proposer's** representative to present his **CUSC Modification Proposal** to the **CUSC Modifications Panel**.
- 8.18.4 The **CUSC Modifications Panel** shall evaluate each **CUSC Modification Proposal** against the **Self-Governance Criteria**.
- 8.18.5 The **CUSC Modifications Panel** shall follow the procedure set out in Paragraph 8.25 in respect of any **CUSC Modification Proposal** that the **CUSC Modifications Panel** considers meets the **Self-Governance Criteria** unless the **Authority** makes a direction in accordance with Paragraph 8.25.2 and in such a case that **CUSC Modification Proposal** shall be a **Standard CUSC Modification Proposal** and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

- 8.18.6 Unless the **Authority** makes a direction in accordance with Paragraph 8.25.4, a **CUSC Modification Proposal** that the **CUSC Modifications Panel** considers does not meet the **Self-Governance Criteria** shall be a **Standard CUSC Modification Proposal** and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.
- 8.18.7 The **CUSC Modifications Panel** shall evaluate each **CUSC Modification Fast Track Proposal** against the **Fast Track Criteria**.
- 8.18.8 The **CUSC Modifications Panel** shall follow the procedure set out in Paragraph 8.29 in respect of any **CUSC Modification Fast Track Proposal**. The provisions of Paragraphs 8.19 to 8.25 shall not apply to a **CUSC Modification Fast Track Proposal**.

8.19 PANEL PROCEEDINGS

- 8.19.1 (a) The **Code Administrator** and the **CUSC Modifications Panel** shall together establish a timetable to apply for the **CUSC Modification Process**.
- (b) The **CUSC Modifications Panel** shall establish the part of the timetable for the consideration by the **CUSC Modifications Panel** and by a **Workgroup** (if any) which shall be no longer than four months unless in any case the particular circumstances of the **CUSC Modification Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority**, after receiving notice, does not object, taking into account all those issues.
- (c) The **Code Administrator** shall establish the part of the timetable for the consultation to be undertaken by the **Code Administrator** under this Section 8 and separately the preparation of a **CUSC Modification Report** to the **Authority**. Where the particular circumstances of the **CUSC Modification Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timescales and provided the **Authority**, after receiving notice, does not object, taking into account all those issues, the **Code Administrator** may revise such part of the timetable.
- (d) In setting such a timetable, the **CUSC Modifications Panel** and the **Code Administrator** shall exercise their respective discretions such that, in respect of each **CUSC Modification Proposal**, a **CUSC Modification Report** may be submitted to the **Authority** as soon after the **CUSC Modification Proposal** is made as is consistent with the proper evaluation of such **CUSC Modification Proposal**, taking due account of its complexity, importance and urgency.
- (e) Having regard to the complexity, importance and urgency of particular **CUSC Modification Proposals**, the **CUSC Modifications Panel** may determine the priority of **CUSC Modification Proposals** and may (subject to any objection from the **Authority** taking into account all those issues) adjust the priority of the relevant **CUSC Modification Proposal** accordingly.
- 8.19.2 In relation to each **CUSC Modification Proposal**, the **CUSC Modifications Panel** shall determine at any meeting of the **CUSC Modifications Panel** whether to:

- (a) amalgamate the **CUSC Modification Proposal** with any other **CUSC Modification Proposal**;
 - (b) establish a **Workgroup** of the **CUSC Modifications Panel**, to consider the **CUSC Modification Proposal**;
 - (c) review the evaluation made pursuant to Paragraph 8.18.4, taking into account any new information received; or
 - (d) proceed directly to wider consultation (in which case the **Proposer's** right to vary his **CUSC Modification Proposal** shall lapse).
- 8.19.3 Subject to Paragraphs 8.14.3 and 8.17A.4(b), the **CUSC Modifications Panel** may decide to amalgamate a **CUSC Modification Proposal** with one or more other **CUSC Modification Proposals** where the subject-matter of such **CUSC Modification Proposals** is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such **CUSC Modification Proposals** are logically dependent on each other.
- 8.19.4 Without prejudice to each **Proposer's** right to withdraw his **CUSC Modification Proposal** prior to the amalgamation of his **CUSC Modification Proposal** where **CUSC Modification Proposals** are amalgamated pursuant to Paragraph 8.19.3:
- (a) such **CUSC Modification Proposals** shall be treated as a single **CUSC Modification Proposal**;
 - (b) references in this Section 8 to a **CUSC Modification Proposal** shall include and apply to a group of two or more **CUSC Modification Proposals** so amalgamated;
 - (c) the **Proposers** of each such **CUSC Modification Proposal** shall cooperate in deciding which of them is to provide a representative for any **Workgroup** in respect of the amalgamated **CUSC Modification Proposal** and, in default of agreement, the **Panel Chairman** shall nominate one of the **Proposers** for that purpose.
- 8.19.5 In respect of any **CUSC Modification Proposal** that the **CUSC Modifications Panel** determines to proceed directly to wider consultation in accordance with Paragraph 8.19.2, the **CUSC Modifications Panel**, may at any time prior to the **CUSC Modifications Panel Recommendation Vote** having taken place decide to establish a **Workgroup** of the **CUSC Modifications Panel** and the provisions of Paragraph 8.20 shall apply. In such case the **CUSC Modifications Panel** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1(b) and the **Code Administrator** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1(c), provided that the **Authority**, after receiving notice, does not object.

8.20 WORKGROUPS

- 8.20.1 If the **CUSC Modifications Panel** has decided not to proceed directly to wider consultation (or where the provisions of Paragraph 8.19.5 apply), a **Workgroup** will be established, or an existing **Standing Group** identified and actioned, by the **CUSC Modifications Panel** to assist the **CUSC Modifications Panel** in evaluating whether a **CUSC Modification Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether a **Workgroup Alternative CUSC Modification(s)** would, as compared with the **CUSC Modification Proposal**, better facilitate achieving the **Applicable**

CUSC Objectives in relation to the issue or defect identified in the **CUSC Modification Proposal**. Where a **Standing Group** is identified and actioned in relation to a **CUSC Modification Proposal**, a reference to **Workgroup** in this Section 8 shall, in relation to that **CUSC Modification Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity. Unless specifically appointed pursuant to this Paragraph or permitted pursuant to Paragraph 8.22, a **Standing Group** shall not comment upon any **CUSC Modification Proposal**.

- 8.20.2 A single **Workgroup** may be responsible for the evaluation of more than one **CUSC Modification Proposal** at the same time, but need not be so responsible.
- 8.20.3 A **Workgroup** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **CUSC Modifications Panel** from those nominated by **CUSC Parties**, **BSC Parties**, the **Citizens Advice** or the **Citizens Advice Scotland** for their relevant experience and/or expertise in the areas forming the subject-matter of the **CUSC Modification Proposal(s)** to be considered by such **Workgroup** (and the **CUSC Modifications Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Workgroup**) provided that there shall always be at least one member representing **The Company** and if, and only if, the **CUSC Modifications Panel** is of the view that a **CUSC Modification Proposal** is likely to have an impact on the **STC**, the **CUSC Modifications Panel** may invite the **STC** committee to appoint a representative to become a member of the **Workgroup**. A representative of the **Authority** may attend any meeting of a **Workgroup** as an observer and may speak at such meeting.
- 8.20.4 The **Code Administrator** shall in consultation with the **CUSC Modifications Panel** appoint the chairman of the **Workgroup** who shall act impartially and as an independent chairman.
- 8.20.5 The **CUSC Modifications Panel** may add further members or the **Workgroup** chairman may add or vary members to a **Workgroup**.
- 8.20.6 The **CUSC Modifications Panel** may (but shall not be obliged to) replace any member or observer of a **Workgroup** appointed pursuant to Paragraph 8.20.3 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Workgroup**.
- 8.20.7 The **CUSC Modifications Panel** shall determine the terms of reference of each **Workgroup** and may change those terms of reference from time to time as it sees fit.
- 8.20.8 The terms of reference of a **Workgroup** must include provision in respect of the following matters:
- (a) those areas of a **Workgroup's** powers or activities which require the prior approval of the **CUSC Modifications Panel**;
 - (b) the seeking of instructions, clarification or guidance from the **CUSC Modifications Panel**, including on the suspension of a **Workgroup Alternative CUSC Modification(s)** during a **Significant Code Review Phase**;

- (c) the timetable for the work to be done by the **Workgroup**, in accordance with the timetable established pursuant to Paragraph 8.19.1 (save where Paragraph 8.19.5 applies); and
- (d) the length of any **Workgroup Consultation**.

In addition, prior to the taking of any steps which would result in the undertaking of a significant amount of work (including the production of draft legal text to modify the **CUSC** in order to give effect to a **CUSC Modification Proposal** and/or **Workgroup Alternative CUSC Modification(s)**, with the relevant terms of reference setting out what a significant amount of work would be in any given case), the **Workgroup** shall seek the views of the **CUSC Modifications Panel** as to whether to proceed with such steps and, in giving its views, the **CUSC Modifications Panel** may consult the **Authority** in respect thereof.

8.20.9 Subject to the provisions of this Paragraph 8.20.9 and unless otherwise determined by the **CUSC Modifications Panel**, the **Workgroup** shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the **Panel Secretary** in respect of each **CUSC Modification Proposal** for which it is responsible. Unless the **CUSC Modifications Panel** otherwise determines, meetings of each **Workgroup** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party**, the **Citizens Advice**, the **Citizens Advice Scotland** and any person invited by the chairman, and the chairman of a **Workgroup** may invite any such person to speak at such meetings.

8.20.10 After development by the **Workgroup** of the **CUSC Modification Proposal**, and (if applicable) after development of any draft **Workgroup Alternative CUSC Modification(s)**, the **Workgroup** will (subject to the provisions of Paragraph 8.20.16) consult ("**Workgroup Consultation**") on the **CUSC Modification Proposal** and, if applicable, on any draft **Workgroup Alternative CUSC Modification(s)** with:

- (a) **CUSC Parties**; and
- (b) such other persons who may properly be considered to have an appropriate interest in it.

Where following the establishment of a **Workgroup** in relation to a **CUSC Modification Proposal**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (b) above and therefore shall be able to respond to the **Workgroup Consultation**. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any **Workgroup Consultation**.

8.20.11 The **Workgroup Consultation** will be undertaken by issuing a **Workgroup Consultation** paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement). Such **Workgroup Consultation** paper will include:

- (a) Issues which arose in the **Workgroup** discussions

- (b) Details of any draft **Workgroup Alternative CUSC Modification(s)**
 - (c) The date proposed by the **Code Administrator** as the **Proposed Implementation Date**.
- 8.20.12 **Workgroup Consultation** papers will be copied to **Core Industry Document Owners**, the **CM Administrative Parties**, the **CfD Administrative Parties** and the secretary of the **STC** committee.
- 8.20.13 Any **CUSC Party**, **BSC Party**, the **Citizens Advice** or the **Citizens Advice Scotland** may (subject to Paragraph 8.20.17) raise a **Workgroup Consultation Alternative Request** in response to the **Workgroup Consultation**. Such **Workgroup Consultation Alternative Request** must include:
- (a) the information required by Paragraph 8.16.4 (which shall be read and construed so that any references therein to “amendment proposal” or “proposal” shall be read as “request” and any reference to “**Proposer**” shall be read as “requester”); and
 - (b) sufficient detail to enable consideration of the request including details as to how the request better facilitates the **Applicable CUSC Objectives** than the current version of the **CUSC**, than the **CUSC Modification Proposal** and than any draft **Workgroup Alternative CUSC Modification(s)**.
- 8.20.14 The **Workgroup** shall consider and analyse any comments made or any **Workgroup Consultation Alternative Request** made by any **CUSC Party** in response to the **Workgroup Consultation**.
- 8.20.15 If a majority of the members of the **Workgroup** or the chairman of the **Workgroup** believe that the **Workgroup Consultation Alternative Request** will better facilitate the **Applicable CUSC Objectives** than the current version of the **CUSC**, the **Workgroup** shall develop it as a **Workgroup Alternative CUSC Modification(s)** or, where the chairman of the **Workgroup** agrees, amalgamate it with one or more other draft **Workgroup Alternative CUSC Modification(s)** or **Workgroup Consultation Alternative Request(s)**;
- 8.20.16 Unless the **CUSC Modifications Panel** directs the **Workgroup** otherwise pursuant to Paragraph 8.20.17, and provided that a **Workgroup Consultation** has been undertaken in respect of the **CUSC Modification Proposal**, no further **Workgroup Consultation** will be required in respect of any **Workgroup Alternative CUSC Modification(s)** developed in respect of such **CUSC Modification Proposal**.
- 8.20.17 The **CUSC Modifications Panel** may, at the request of the chairman of the **Workgroup**, direct the **Workgroup** to undertake further **Workgroup Consultation(s)**. At the same time as such direction the **CUSC Modifications Panel** shall adjust the timetable referred to at Paragraph 8.19.1(b) and the **Code Administrator** shall be entitled to adjust the timetable referred to at Paragraph 8.19.1 (c), provided that the **Authority**, after receiving notice, does not object. No **Workgroup Consultation Alternative Request** may be raised by any **CUSC Party** during any second or subsequent **Workgroup Consultation**.

8.20.18 The **Workgroup** shall finalise the **Workgroup Alternative CUSC Modification(s)** for inclusion in the report to the **CUSC Modifications Panel**.

8.20.19

- (a) Each **Workgroup** chairman shall prepare a report to the **CUSC Modifications Panel** responding to the matters detailed in the terms of reference in accordance with the timetable set out in the terms of reference.
- (b) If a **Workgroup** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Workgroup**.
- (c) The report will be circulated in draft form to **Workgroup** members and a period of not less than five (5) **Business Days** or if all **Workgroup** members agree three (3) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.

8.20.20 The chairman or another member (nominated by the chairman) of the **Workgroup** shall attend the next **CUSC Modifications Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Workgroup** may also attend such **CUSC Modifications Panel** meeting.

8.20.21 At the meeting referred to in Paragraph 8.20.20 the **CUSC Modifications Panel** shall consider the **Workgroup's** report and shall determine whether to:-

- (a) refer the **CUSC Modifications Proposal** back to the **Workgroup** for further analysis (in which case the **CUSC Modifications Panel** shall determine the timetable and terms of reference to apply in relation to such further analysis); or
- (b) proceed then to wider consultation as set out in Paragraph 8.22; or
- (c) decide on another suitable course of action.

8.20.22 Subject to paragraph 8.17.4 if, at any time during the assessment process carried out by the **Workgroup** pursuant to this Paragraph 8.20, the **Workgroup** considers that a **CUSC Modification Proposal** or any **Workgroup Alternative CUSC Modification(s)** falls within the scope of a **Significant Code Review**, it shall consult on this as part of the **Workgroup Consultation** and include its reasoned assessment in the report to the **CUSC Modifications Panel** prepared pursuant to Paragraph 8.20.19. If the **CUSC Modifications Panel** considers that the **CUSC Modification Proposal** or the **Workgroup Alternative CUSC Modification(s)** falls within the scope of a **Significant Code Review**, it shall consult with the **Authority**. If the **Authority** directs that the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** falls within the scope of the **Significant Code Review**, the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** shall be suspended or withdrawn during the **Significant Code Review Phase**, in accordance with Paragraph 8.17.3.

8.20.23 The **Proposer** may, at any time prior to the final evaluation by the **Workgroup** (in accordance with its terms of reference and working practices) of that **CUSC Modification Proposal** against the **Applicable CUSC Objectives**, vary his

CUSC Modification Proposal on notice (which may be given verbally) to the chairman of the **Workgroup** provided that such varied **CUSC Modification Proposal** shall address the same issue or defect originally identified by the **Proposer** in his **CUSC Modification Proposal**.

- 8.20.24 The **CUSC Modifications Panel** may (but shall not be obliged to) require a **CUSC Modification Proposal** to be withdrawn in accordance with paragraph 8.17.6 if, in the **Panel's** opinion, the **Proposer** of that **CUSC Modification Proposal** is deliberately and persistently disrupting or frustrating the work of the **Workgroup** and that **CUSC Modification Proposal** shall be deemed to have been so withdrawn. In the event that a **CUSC Modification Proposal** is so withdrawn, the provisions of paragraph 8.16.10 shall apply in respect of that **CUSC Modification Proposal**.

8.21 STANDING GROUPS

- 8.21.1 The **CUSC Modifications Panel** may set up one or more standing groups (each a "**Standing Group**") to consider and report to the **CUSC Modifications Panel** on issues specified by the **CUSC Modifications Panel** relating to the connection and use of system arrangements in **Great Britain**, including the **Charging Methodologies**. The **CUSC Modifications Panel** may change issues specified from time to time as it sees fit. In setting up a **Standing Group**, the **CUSC Modifications Panel** shall determine the terms of reference of the **Standing Group** (and may change those terms of reference from time to time as it sees fit) and specify a time period within which the **Standing Group** is to report to it on the issue it is to consider and may establish other timetable requirements in relation to the intended scope of the **Standings Group's** considerations. At the end of the time period by which the **Standing Group** is to report, the **CUSC Modifications Panel** shall decide whether the **Standing Group** is to continue and, if it is to continue, shall specify a time period in which it is to further report.
- 8.21.2 A **Standing Group** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **CUSC Modifications Panel** from those nominated by **CUSC Parties** for their relevant experience and/or expertise in the aspect or issue to be considered by such **Standing Group** (and the **CUSC Modifications Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Standing Group**) provided that there shall always be at least one member representing **The Company** and if, and only if, the **CUSC Modifications Panel** is of the view that a **CUSC Modification Proposal** is likely to have an impact on the **STC**, the **CUSC Modifications Panel** may invite the **STC** committee to appoint a representative to become a member of the **Standing Group**. A representative of the **Authority** may attend any meeting of a **Standing Group** as an observer and may speak at such meeting.
- 8.21.3 The **Code Administrator** shall in consultation with the **CUSC Modifications Panel** appoint the chairman of each **Standing Group** who shall act impartially and as an independent chairman.
- 8.21.4 The **CUSC Modifications Panel** may add further members or the **Standing Group** chairman may add or vary members to a **Standing Group** after it is established.

8.21.5 The **CUSC Modifications Panel** may (but shall not be obliged to) replace any member of a **Standing Group** appointed pursuant to Paragraph 8.21.2 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Standing Group**.

8.21.6

- (a) Each **Standing Group** chairman shall prepare a report to the **CUSC Modifications Panel** responding to the matter detailed in the terms of reference in accordance with the time period set by the **CUSC Modifications Panel**.
- (b) If a **Standing Group** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Standing Group**.
- (c) The report will be circulated in draft form to **Standing Group** members and a period of not less than five (5) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.
- (d) The chairman or another member (nominated by the chairman) of the **Standing Group** shall attend the next **CUSC Modifications Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Standing Group** may also attend such **CUSC Modifications Panel** meeting.

8.21.7 Subject to the provisions of this Paragraph 8.21 and unless otherwise determined by the **CUSC Modifications Panel**, the **Standing Group** shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the **Panel Secretary**. Unless the **CUSC Modifications Panel** otherwise determines, meetings of each **Standing Group** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party**, the **Citizens Advice**, the **Citizens Advice Scotland** and any person invited by the chairman or any other member of that **Standing Group**, and the chairman or any other member of that **Standing Group** may invite any person to speak at such meetings.

8.22 THE CODE ADMINISTRATOR CONSULTATION

8.22.1 In respect of any **CUSC Modification Proposal** where a **Workgroup** has been established or a **Standing Group** identified and actioned Paragraph 8.22.2 to 8.22.6 shall apply.

8.22.2 After consideration of any **Workgroup** report on the **CUSC Modification Proposal** and if applicable any **Workgroup Alternative CUSC Modification (s)** by the **CUSC Modifications Panel** and a determination by the **CUSC Modifications Panel** to proceed to wider consultation, the **Code Administrator** shall bring to the attention of and consult on the **CUSC Modification Proposal** and if applicable any **Workgroup Alternative CUSC Modification(s)** with:

- (i) **CUSC Parties**; and
- (ii) such other persons who may properly be considered to have an appropriate interest in it, including **Small Participants**, the **Citizens Advice** and the **Citizens Advice Scotland**.

Where following the establishment of a **Workgroup**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to the **Code Administrator's** consultation. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.

8.22.3 The consultation will be undertaken by issuing a Consultation Paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement).

8.22.4 The Consultation Paper will contain:

- (a) the proposed drafting for the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** (unless the **Authority** decides none is needed in the **CUSC Modification Report** under Paragraph 8.22.5) and will indicate the issues which arose in the **Workgroup** discussions, where there has been a **Workgroup** and will incorporate **The Company's** and the **CUSC Modifications Panel's** initial views on the way forward; and
- (b) the date proposed by the **Code Administrator** as the **Proposed Implementation Date** and, where the **Workgroup** terms of reference require and the dates proposed by the **Workgroup** are different from those proposed by the **Code Administrator**, those proposed by the **Workgroup**. In relation to a **CUSC Modification Proposal** that meets the **Self-Governance Criteria**, the **Code Administrator** may not propose an implementation date earlier than the sixteenth (16) **Business Day** following the publication of the **CUSC Modifications Panel's** decision to approve or reject the **CUSC Modification Proposal**. Views will be invited on these dates.

8.22.5 Where the **CUSC Modifications Panel** is of the view that the proposed text to amend the CUSC for a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** is not needed in the **CUSC Modification Report**, the **CUSC Modifications Panel** shall consult (giving its reasons as to why it is of this view) with the **Authority** as to whether the **Authority** would like the **CUSC Modification Report** to include the proposed text to amend the **CUSC**. If it does not, no text needs to be included. If it does, and no detailed text has yet been prepared, the **Code Administrator** shall prepare such text to modify the **CUSC** in order to give effect to such **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** and shall seek the conclusions of the relevant **Workgroup** before consulting those identified in Paragraph 8.22.2.

- 8.22.6 Consultation Papers will be copied to **Core Industry Document Owners**, the **CM Administrative Parties**, the **CfD Administrative Parties** and the secretary of the **STC** committee.
- 8.22.7 In respect of any **CUSC Modification Proposal** where a **Workgroup** has not been established nor a **Standing Group** identified and actioned Paragraph 8.22.7 to 8.22.11 shall apply.
- 8.22.8 After determination by the **CUSC Modifications Panel** to proceed to wider consultation, such consultation shall be conducted by the **Code Administrator** on the **CUSC Modification Proposal** with:
- (i) **CUSC Parties**; and
 - (ii) such other persons who may properly be considered to have an appropriate interest in it, including **Small Participants**, the **Citizens Advice** and the **Citizens Advice Scotland**.

Where following the decision of the **CUSC Modifications Panel** to proceed directly to consultation by the **Code Administrator**, in relation to a **CUSC Modification Proposal**, the terms of reference of a **Standing Group** have been amended by the **CUSC Modifications Panel** to include the ability to comment on that **CUSC Modification Proposal**, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to the **Code Administrator's** consultation. It shall not, however, in so doing undertake the functions of a **Workgroup**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.

- 8.22.9 The consultation will be undertaken by issuing a Consultation Paper (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement). The Consultation Paper will be copied to the **CM Administrative Parties** and the **CFD Administrative Parties**.
- 8.22.10 The Consultation Paper will contain:
- (a) the proposed drafting for the **CUSC Modification Proposal** (unless the Authority decides none is needed in the **CUSC Modification Report** under Paragraph 8.22.11) and will incorporate **The Company's** and the **CUSC Modifications Panel's** initial views on the way forward; and
 - (b) the date proposed by the **Code Administrator** as the **Proposed Implementation Date**. Views will be invited on this date.
- 8.22.11 Where the **CUSC Modifications Panel** is of the view that the proposed text to amend the **CUSC** for a **CUSC Modification Proposal** is not needed, the **CUSC Modifications Panel** shall consult (giving its reasons to why it is of this view) with the **Authority** as to whether the **Authority** would like the **CUSC Modification Report** to include the proposed text to amend the **CUSC**. If it does not, no text needs to be included. If it does, and no detailed text has yet been prepared, the **Code Administrator** shall prepare such text to modify the **CUSC** in order to give effect to such **CUSC Modification Proposal** and consult those identified in Paragraph 8.22.2.

8.23 CUSC MODIFICATION REPORT

- 8.23.1 Subject to the **Code Administrator's** consultation having been completed, the **CUSC Modifications Panel** shall prepare and submit to the **Authority** a report (the "**CUSC Modification Report**") in accordance with this Paragraph 8.23 for each **CUSC Modification Proposal** which is not withdrawn.
- 8.23.2 The matters to be included in a **CUSC Modification Report** shall be the following (in respect of the **CUSC Modification Proposal**):
- (a) A description of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the **Proposer** together with the views of the **Workgroup**;
 - (b) the **Panel Members' Recommendation**;
 - (c) a summary (agreed by the **CUSC Modifications Panel**) of the views (including any recommendations) from **Panel Members** in the **CUSC Modifications Panel Recommendation Vote** and the conclusions of the **Workgroup** (if there is one) in respect of the **CUSC Modification Proposal** and of any **Workgroup Alternative CUSC Modification(s)**;
 - (d) an analysis of whether (and, if so, to what extent) the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** would better facilitate achievement of the **Applicable CUSC Objective(s)** with a detailed explanation of the **CUSC Modifications Panel's** reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the **Authority** from time to time, and providing a detailed explanation of the **CUSC Modifications Panel's** reasons for that assessment;
 - (e) an analysis of whether (and, if so, to what extent) any **Workgroup Alternative CUSC Modification(s)** would better facilitate achievement of the **Applicable CUSC Objective(s)** as compared with the **CUSC Modification Proposal** and any other **Workgroup Alternative CUSC Modification(s)** and the current version of the **CUSC**, with a detailed explanation of the **CUSC Modifications Panel's** reasons for its assessment, including, where the impact is likely to be material, an assessment of the quantifiable impact of the **Workgroup Alternative CUSC Modification(s)** on greenhouse gas emissions, to be conducted in accordance with such current guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the **Authority** from time to time, and providing a detailed explanation of the **CUSC Modifications Panel's** reasons for that assessment;
 - (f) the **Proposed Implementation Date** taking into account the views put forward during the process described at Paragraph 8.22.4(b) such date to be determined by the **CUSC Modifications Panel** in the event of any disparity between such views and those of the **Code Administrator**;
 - (g) an assessment of:
 - (i) the impact of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** on the **Core**

Industry Documents and the **STC** and an indication of potential inconsistencies between the **CUSC Modification Proposal** and the **Capacity Market Documents** and/or the **CfD Documents**;

- (ii) the changes which would be required to the **Core Industry Documents** and the **STC** in order to give effect to the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**;
- (iii) the mechanism and likely timescale for the making of the changes referred to in Paragraph (ii);
- (iv) the changes and/or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the **Core Industry Documents**, the **STC**, the **Capacity Market Documents** and the **CfD Documents**;
- (v) the mechanism and likely timescale for the making of the changes referred to in Paragraph (iv);
- (vi) an estimate of the costs associated with making and delivering the changes referred to in Paragraphs (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the **STC** and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the **Core Industry Documents**, the **STC**, the **Capacity Market Documents** and the **CfD Documents**.

together with an analysis and a summary of representations in relation to such matters, including any made by **Small Participants**, the **Citizens Advice** and the **Citizens Advice Scotland**;

- (h) to the extent such information is available to the **Code Administrator**, an assessment of the impact of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** on **CUSC Parties** in general (or classes of **CUSC Parties** in general), including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the **CUSC** and to **Core Industry Documents** and the **STC**;
- (i) copies of (and a summary of) all written representations or objections made by consultees during the consultation in respect of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** and subsequently maintained;
- (j) a copy of any impact assessment prepared by **Core Industry Document Owners** and the **STC** committee and a copy of any impact assessment related to the **CUSC Modification Proposal** prepared by the **CM Administrative Parties** in relation to the **Capacity Market Rules**, the **Secretary of State** in relation to the **Capacity Market Documents**, the **CfD Administrative Parties** in relation to the **AF Rules**, or the **Secretary of State** in relation to the **CfD Documents**, and the views and comments of the **Code Administrator** in respect thereof;

- (k) whether or not, in the opinion of **The Company**, the **CUSC Modification Proposal** (or any **Workgroup Alternative CUSC Modification(s)**) should be made.
- 8.23.3 A draft of the **CUSC Modification Report** will be circulated by the **Code Administrator** to **CUSC Parties**, **Panel Members** and such other persons who may properly be considered to have an appropriate interest in it, which for these purposes will include the **CM Administrative Parties** and the **CfD Administrative Parties** (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made thereon. Any unresolved comments made shall be reflected in the final **CUSC Modification Report**.
- 8.23.4 A draft of the **CUSC Modification Report** shall be tabled at the **Panel Meeting** prior to submission of that **CUSC Modification Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.19.1 at which the Panel may consider any minor changes to the legal drafting and:
- (i) if the change required is a typographical error the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**; or
- (ii) if the change required is not considered to be a typographical error then the **CUSC Modifications Panel** may direct the **Workgroup** to review the change. If the **Workgroup** unanimously agree that the change is minor the **CUSC Modifications Panel** may instruct the **Code Administrator** to make the appropriate change and the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote** otherwise the **Code Administrator** shall issue the **CUSC Modification Proposal** for further **Code Administrator** consultation after which the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.
- (iii) if a change is not required after consideration, the **Panel Chairman** will undertake the **CUSC Modifications Panel Recommendation Vote**.
- 8.23.5 A draft of the **CUSC Modification Report** following the **CUSC Modifications Panel Recommendation Vote** will be circulated by the **Code Administrator** to **Panel Members** (and in electronic mails to **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made on whether the **CUSC Modification Report** accurately reflects the views of the **Panel Members** as expressed at the **CUSC Modifications Panel Recommendation Vote**. Any unresolved comments made shall be reflected in the final **CUSC Modification Report**.
- 8.23.6 Each **CUSC Modification Report** shall be addressed and furnished to the **Authority** and none of the facts, opinions or statements contained in such **CUSC Modification Report** may be relied upon by any other person.
- 8.23.7 Subject to Paragraphs 8.23.9 to 8.23.13, in accordance with the **Transmission Licence**, the **Authority** may approve the **CUSC Modification Proposal** or a **Workgroup Alternative CUSC Modification(s)** contained in

the **CUSC Modification Report** (which shall then be an "**Approved CUSC Modification**" until implemented). If the **Authority** believes that neither the **CUSC Modification Proposal** (nor any **Workgroup Alternative CUSC Modification(s)**) would better facilitate achievement of the **Applicable CUSC Objectives**, then there will be no approval. In such a case, the **Code Administrator** will notify **CUSC Parties** and will raise the issue at the next **CUSC Modifications Panel** meeting.

8.23.8 The **Code Administrator** shall copy (by electronic mail to those persons who have supplied relevant details to the **Code Administrator**) the **CUSC Modification Report** to:

- (i) each **CUSC Party**;
- (ii) each **Panel Member**;
- (iii) any person who may request a copy and shall place a copy on the **Website**; and
- (iv) the **CM Administrative Parties** and the **CfD Administrative Parties**

8.23.9 Revised Fixed Proposed Implementation Date

8.23.9.1 Where the **Proposed Implementation Date** included in a **CUSC Modification Report** is a **Fixed Proposed Implementation Date** and the **Authority** considers that the **Fixed Proposed Implementation Date** is or may no longer be appropriate or might otherwise prevent the **Authority** from making such decision by reason of the effluxion of time the **Authority** may direct the **CUSC Modifications Panel** to recommend a revised **Proposed Implementation Date**.

8.23.9.2 Such direction may:

- (a) specify that the revised **Proposed Implementation Date** shall not be prior to a specified date;
- (b) specify a reasonable period (taking into account a reasonable period for consultation) within which the **CUSC Modifications Panel** shall be requested to submit its recommendation; and
- (c) provide such reasons as the **Authority** deems appropriate for such request (and in respect of those matters referred to in Paragraphs 8.23.9.2(a) and (b) above).

8.23.9.3 Before making a recommendation to the **Authority**, the **CUSC Modifications Panel** will consult on the revised **Proposed Implementation Date**, and may in addition consult on any matters relating to the **CUSC Modification Report** which in the **CUSC Modifications Panel's** opinion have materially changed since the **CUSC Modification Report** was submitted to the **Authority** and where it does so the **CUSC Modifications Panel** shall report on such matters as part of its recommendation under **CUSC** Paragraph 8.23.9.4, with:

- (a) **CUSC Parties**; and

- (b) such other persons who may properly be considered to have an appropriate interest in it.

Such consultation will be undertaken in accordance with **CUSC** Paragraphs 8.22.3 and 8.22.6.

8.23.9.4 Following the completion of the consultation held pursuant to **CUSC** Paragraph 8.23.9.3 the **CUSC Modifications Panel** shall report to the **Authority** with copies of all the consultation responses and recommending a **Revised Proposed Implementation Date**.

8.23.9.5 The **Authority** shall notify the **CUSC Modifications Panel** as to whether or not it intends to accept the **Revised Proposed Implementation Date** and where the **Authority** notifies the **CUSC Modifications Panel** that it intends to accept the **Revised Proposed Implementation Date**, the **Revised Proposed Implementation Date** shall be deemed to be the **Proposed Implementation Date** as specified in the **CUSC Modification Report**.

8.23.10 **Authority Approval**

If:

- (a) the **Authority** has not given notice of its decision in respect of a **CUSC Modification Report** within two (2) calendar months (in the case of an **Urgent CUSC Modification Proposal**), or four (4) calendar months (in the case of all other **CUSC Modification Proposals**) from the date upon which the **CUSC Modification Report** was submitted to it; or
- (b) the **CUSC Modifications Panel** is of the reasonable opinion that the circumstances relating to the **CUSC Modification Proposal** and/or **Workgroup Alternative CUSC Modification** which is the subject of a **CUSC Modification Report** have materially changed,

the **CUSC Modifications Panel** may request the **Panel Secretary** to write to the **Authority** requesting the **Authority** to give an indication of the likely date by which the **Authority's** decision on the **CUSC Modification Proposal** will be made.

8.23.11 **CUSC** Paragraphs 8.23.9 and 8.23.10 shall only apply in respect of any **CUSC Modification Proposals** submitted after the **CAP 179 Implementation Date**.

8.23.12 If the **Authority** determines that the **CUSC Modification Report** is such that the **Authority** cannot properly form an opinion on the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**, it may issue a direction to the **CUSC Modifications Panel**:

- (a) specifying the additional steps (including drafting or amending existing drafting associated with the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **CUSC Modification Report** to be revised and to be re-submitted.

8.23.13 If a **CUSC Modification Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.23.12, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, taking into account the complexity, importance and urgency of the **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)**. The **CUSC Modifications Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **CUSC Modification Report** is revised, the **CUSC Modifications Panel** shall carry out its **CUSC Modifications Panel Recommendation Vote** again in respect of the revised **CUSC Modification Report** and re-submit it to the **Authority** in compliance with Paragraphs 8.23.4 to 8.23.6.

8.24 URGENT CUSC MODIFICATION PROPOSALS

8.24.1 If a **Relevant Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent CUSC Modification Proposal** in accordance with this Paragraph 8.24, the **Panel Secretary** shall notify the **Panel Chairman** who shall then, in accordance with Paragraphs 8.24.2(a) to (e) inclusive, and notwithstanding anything in the contrary in this Section 8, endeavour to obtain the views of the **CUSC Modifications Panel** as to the matters set out in Paragraph 8.24.3. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall attempt to do so (and the measures to be undertaken by the **Panel Chairman** in the following paragraphs shall in such case be undertaken by the **Panel Secretary**).

8.24.2

- (a) The **Panel Chairman** shall determine the time by which, in his opinion, a decision of the **CUSC Modifications Panel** is required in relation to such matters, having regard to the degree of urgency in all circumstances, and references in this Paragraph 8.24.1 to the "time available" shall mean the time available, based on any such determination by the **Panel Chairman**;
- (b) The **Panel Secretary** shall, at the request of the **Panel Chairman**, convene a meeting or meetings (including meetings by telephone conference call, where appropriate) of the **CUSC Modifications Panel** in such manner and upon such notice as the **Panel Chairman** considers appropriate, and such that, were practicable within the time available, as many **Panel Members** as possible may attend;
- (c) Each **Panel Member** shall be deemed to have consented, for the purposes of Paragraph 8.8.9. to the convening of such meeting or meetings in the manner and on the notice determined by the **Panel Chairman**. Paragraph 8.8.10 shall not apply to any such business.
- (d) Where:
 - (i) it becomes apparent, in seeking to convene a meeting of the **CUSC Modifications Panel** within the time available, that quorum will not be present; or
 - (ii) it transpires that the meeting of the **CUSC Modifications Panel** is not quorate and it is not possible to rearrange such meeting within the time available

The **Panel Chairman** shall endeavour to contact each **Panel Member** individually in order to ascertain such Panel Member's vote, and (subject to paragraph 8.24.2(e)) any matter to be decided shall be decided by a majority of those **Panel Members** who so cast a vote. Where, for whatever reason no decision is reached, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.24.5;

- (e) Where the **Panel Chairman** is unable to contact a least four **Panel Members** within the time available and where:
 - (i) It is only **The Company** who has recommended that the proposal should be treated as an **Urgent CUSC Modification Proposal**, then those **Panel Members** contacted shall decide such matters, such decision may be a majority decision. Where in such cases no decision is made for whatever reason, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.24.5; or
 - (ii) any **CUSC Party** (other than, and/or in addition to, **The Company**), the **Citizens Advice**, the **Citizens Advice Scotland** or any **BSC Party** has recommended that the proposal should be treated as an **Urgent CUSC Modification Proposal**, then the **Panel Chairman** may decide the matter (in consultation with those **Panel Members** (if any) which he managed to contact) provided that the **Panel Chairman** shall include details in the relevant **CUSC Modification Report** of the steps which he took to contact other **Panel Members** first.

8.24.3 The matters referred to in Paragraph 8.24.1 are:

- (a) whether such proposal should be treated as an **Urgent CUSC Modification Proposal** in accordance with this Paragraph 8.24 and
- (b) the procedure and timetable to be followed in respect of such **Urgent CUSC Modification Proposal**.

8.24.4 The **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith provide the **Authority** with the recommendation (if any) ascertained in accordance with Paragraphs 8.24.2(a) to (e) inclusive, of the **CUSC Modifications Panel** as to the matters referred to in Paragraph 8.24.2, and shall consult the **Authority** as to whether such **CUSC Modification Proposal** is an **Urgent CUSC Modification Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

8.24.5 If the **CUSC Modifications Panel** has been unable to make a recommendation in accordance with Paragraph 8.24.2.(d) or Paragraph 8.24.2(e) as to the matters referred to in Paragraph 8.24.3 then the **Panel Chairman** or, in his absence, the **Panel Secretary** may recommend whether he considers that such proposal should be treated as an **Urgent CUSC Modification Proposal** shall forthwith consult the **Authority** as to whether such **CUSC Modification Proposal** is an **Urgent CUSC Modification Proposal** and, if so, as to the procedure and timetable that should apply in respect thereof.

8.24.6 The **CUSC Modifications Panel** shall:

- (a) not treat any **CUSC Modification Proposal** as an **Urgent CUSC Modification Proposal** except with the prior consent of the **Authority**;
- (b) comply with the procedure and timetable in respect of any **Urgent CUSC Modification Proposal** approved by the **Authority**; and
- (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.24.4 or Paragraph 8.24.5.

8.24.7 For the purposes of this Paragraph 8.24.7, the procedure and timetable in respect of an **Urgent CUSC Modification Proposal** may (with the approval of the **Authority** pursuant to Paragraph 8.24.4 or Paragraph 8.24.5) deviate from all or part of the **CUSC Modification Procedures** or follow any other procedure or timetable approved by the **Authority**. The **CUSC Modifications Panel** must notify the **CM Administrative Parties** and the **CfD Administrative Parties** of any **Urgent CUSC Modification Proposal** and when approving any alternative procedure or timetable, the **Authority** must consider whether or not such procedure and timetable should allow for the **CM Administrative Parties** and the **CfD Administrative Parties** to be consulted on the **Urgent CUSC Modification Proposal** and if so how much time should be allowed. Where the procedure and timetable approved by the **Authority** in respect of an **Urgent CUSC Modification Proposal** do not provide for the establishment (or designation) of a **Workgroup** the **Proposer's** right to vary the **CUSC Modification Proposal** pursuant to paragraphs 8.16.10 and 8.20.23 shall lapse from the time and date of such approval.

8.24.8 The **CUSC Modification Report** in respect of an **Urgent CUSC Modification Proposal** shall include:

- (a) a statement as to why the **Proposer** believes that such **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal**;
- (b) any statement provided by the **Authority** as to why the **Authority** believes that such **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal**;
- (c) any recommendation of the **CUSC Modifications Panel** (or any recommendation of the **Panel Chairman**) provided in accordance with Paragraph 8.24 in respect of whether any **CUSC Modification Proposal** should be treated as an **Urgent CUSC Modification Proposal**; and
- (d) the extent to which the procedure followed deviated from the **CUSC Modification Procedures** (other than the procedures in this Paragraph 8.24).

8.24.9 Each **CUSC Party** and each **Panel Member** shall take all reasonable steps to ensure that an **Urgent CUSC Modification Proposal** is considered, evaluated and (subject to the approval of the **Authority**) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an **Urgent CUSC Modification Proposal** may (subject to

the approval of the **Authority**) result in the **CUSC** being amended on the day on which such proposal is submitted.

- 8.24.10 Where an **Urgent CUSC Modification Proposal** results in an amendment being made in accordance with Paragraph 8.28, the **CUSC Modifications Panel** may or (where it appears to the **CUSC Modifications Panel** that there is a reasonable level of support for a review amongst **CUSC Parties** shall following such amendment, action a **Standing Group** in accordance with Paragraph 8.21 on terms specified by the **CUSC Modifications Panel** to consider and report as to whether any alternative amendment could, as compared with such amendment better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent CUSC Modification Proposal**.

8.25 SELF-GOVERNANCE

- 8.25.1 If the **CUSC Modifications Panel**, having evaluated a **CUSC Modification Proposal** against the **Self-Governance Criteria**, pursuant to Paragraph 8.18.4, considers that the **CUSC Modification Proposal** meets the **Self-Governance Criteria**, the **CUSC Modifications Panel** shall submit to the **Authority** a **Self-Governance Statement** setting out its reasoning in reasonable detail.
- 8.25.2 The **Authority** may, at any time prior to the **CUSC Modifications Panel's** determination made pursuant to Paragraph 8.25.9, give written notice that it disagrees with the **Self-Governance Statement** and may direct that the **CUSC Modification Proposal** proceeds through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.
- 8.25.3 Subject to Paragraph 8.25.2, after submitting a **Self-Governance Statement**, the **CUSC Modifications Panel** shall follow the procedure set out in Paragraphs 8.19, 8.20 and 8.22.
- 8.25.4 The **Authority** may issue a direction to the **CUSC Modifications Panel** in relation to a **CUSC Modification Proposal** to follow the procedure set out for **CUSC Modification Proposals** that meet the **Self-Governance Criteria**, notwithstanding that no **Self-Governance Statement** has been submitted or a **Self-Governance Statement** has been retracted and the **CUSC Modifications Panel** shall follow the procedure set out in Paragraphs 8.19, 8.20 and 8.22.
- 8.25.5 Subject to the **Code Administrator's** consultation having been completed pursuant to Paragraph 8.22, the **CUSC Modification Panel** shall prepare a report (the "**CUSC Modification Self-Governance Report**").
- 8.25.6 The matters to be included in a **CUSC Modification Self-Governance Report** shall be the following (in respect of the **CUSC Modification Proposal**):
- (a) details of its analysis of the **CUSC Modification Proposal** against the **Self-Governance Criteria**;
 - (b) copies of all consultation responses received;
 - (c) the date on which the **CUSC Modifications Panel Self-Governance Vote** shall take place, which shall not be earlier than seven (7) days from the date on which the **CUSC Modification Self-Governance**

Report is furnished to the **Authority** in accordance with Paragraph 8.25.7; and

- (d) such other information that is considered relevant by the **CUSC Modifications Panel**.
- 8.25.7 A draft of the **CUSC Modification Self-Governance Report** will be circulated by the **Code Administrator** to **CUSC Parties** and **Panel Members** and the **CM Administrative Parties** and the **CfD Administrative Parties** (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties** and **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made thereon. Any unresolved comments made shall be reflected in the final **CUSC Modification Self-Governance Report**.
- 8.25.8 Each **CUSC Modification Self-Governance Report** shall be addressed and furnished to the **Authority** and none of the facts, opinions or statements contained in such **CUSC Modification Self-Governance Report** may be relied upon by any other person.
- 8.25.9 Subject to Paragraph 8.25.11, if the **Authority** does not give written notice that its decision is required pursuant to Paragraph 8.25.2, or if the **Authority** determines that the **Self-Governance Criteria** are satisfied in accordance with Paragraph 8.25.4, then the **CUSC Modification Self-Governance Report** shall be tabled at the **Panel Meeting** following submission of that **CUSC Modification Self-Governance Report** to the **Authority** at which the **Panel Chairman** will undertake the **CUSC Modifications Panel Self-Governance Vote** and the **Code Administrator** shall give notice of the outcome of such vote to the **Authority** as soon as possible thereafter.
- 8.25.10 If the **CUSC Modifications Panel** vote to approve the **CUSC Modification Proposal** pursuant to Paragraph 8.25.9 (which shall then be an "**Approved CUSC Modification Self-Governance Proposal**") until implemented), then subject to the appeal procedures set out in Paragraphs 8.25.14 to Paragraph 8.25.19 the **CUSC Modification Proposal** may be implemented by **The Company** without the **Authority's** approval and brought to the attention of **CUSC Parties** and such other persons as may properly be considered to have an appropriate interest in it.
- 8.25.11 The **CUSC Modifications Panel** may at any time prior to the **CUSC Modification Panel's** determination retract a **Self-Governance Statement** subject to Paragraph 8.25.4, or if the **Authority** notifies the **CUSC Modifications Panel** that it has determined that a **CUSC Modification Proposal** does not meet the **Self-Governance Criteria** the **CUSC Modifications Panel** shall treat the **CUSC Modification Proposal** as a **Standard CUSC Modification Proposal** and shall comply with Paragraph 8.23, using the **CUSC Modification Self-Governance Report** as a basis for its **CUSC Modification Report**.
- 8.25.12 Except where the **Authority** has issued a direction pursuant to Paragraph 8.25.4, the **CUSC Modifications Panel** may remove a **CUSC Modification Proposal** from the process detailed in this Paragraph 8.25 before making its determination pursuant to Paragraph 8.25.9. In that circumstance, the **CUSC Modification Proposal** shall be treated as a **Standard CUSC Modification Proposal** and shall proceed through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.25.13 The **Code Administrator** shall make available on the **Website** and copy (by electronic mail to those persons who have supplied relevant details to the **Code Administrator**) the **CUSC Modification Self-Governance Report** prepared in accordance with Paragraph 8.25 to:

- (i) each **CUSC Party**;
- (ii) each **Panel Member**; and
- (iii) any person who may request a copy,

and shall place a copy on the **Website**.

8.25.14 A **CUSC Party**, the **Citizens Advice** or the **Citizens Advice Scotland** or any **BSC Party** or (where the **CUSC Modification Proposal** and any related **Workgroup Alternative CUSC Modification(s)** is a proposal to modify the **Charging Methodologies**) a **Materially Affected Party** may appeal to the **Authority** the approval or rejection by the **CUSC Modifications Panel** of a **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** in accordance with Paragraph 8.25.9, provided that the **Panel Secretary** is also notified, and the appeal has been made up to and including fifteen (15) **Business Days** after the **CUSC Modifications Panel Self-Governance Vote** has been undertaken pursuant to Paragraph 8.25.9. If such an appeal is made, implementation of the **CUSC Modification Proposal** shall be suspended pending the outcome. The appealing **CUSC Party**, the **Citizens Advice**, the **Citizens Advice Scotland**, **BSC Party** or **Materially Affected Party** must notify the **Panel Secretary** of the appeal when the appeal is made.

8.25.15 The **Authority** shall consider whether the appeal satisfies the following criteria:

- (a) The appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of that **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)**; or
- (b) The appeal is on the grounds that, in the case of implementation, the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** may not better facilitate the achievement of at least one of the **Applicable CUSC Objectives**; or
- (c) The appeal is on the grounds that, in the case of non-implementation, the **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** may better facilitate the achievement of at least one of the **Applicable CUSC Objectives**; and
- (d) It is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.

and if the **Authority** considers that the criteria are not satisfied, it shall dismiss the appeal.

8.25.16 Following any appeal to the **Authority**, a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** shall be treated in accordance with any decision and/or direction of the **Authority** following that appeal.

- 8.25.17 If the **Authority** quashes the **CUSC Modifications Panel's** determination in respect of a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** made in accordance with Paragraph 8.25.9 and takes the decision on the relevant **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** itself, following an appeal to the **Authority**, the **CUSC Modifications Panel's** determination of that **CUSC Modification Proposal** and any **Workgroup Alternative CUSC Modification(s)** contained in the relevant **CUSC Modification Self-governance Report** shall be treated as a **CUSC Modification Report** submitted to the **Authority** pursuant to Paragraph 8.23.6 (for the avoidance of doubt, subject to Paragraphs 8.23.9 to 8.23.13) and the **CUSC Modifications Panel's** determination shall be treated as its recommendation pursuant to Paragraph 8.23.4.
- 8.25.18 If the **Authority** quashes the **CUSC Modifications Panel's** determination in respect of a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** made in accordance with paragraph 8.25.9, the **Authority** may, following an appeal to the **Authority**, refer the **CUSC Modification Proposal** back to the **CUSC Modifications Panel** for further re-consideration and a further **CUSC Modifications Panel Self-Governance Vote**.
- 8.25.19 Following an appeal to the **Authority**, the **Authority** may confirm the **CUSC Modifications Panel's** determination in respect of a **CUSC Modification Proposal** or **Workgroup Alternative CUSC Modification(s)** made in accordance with Paragraph 8.25.9.

8.26 TRANSMISSION CHARGING METHODOLOGY FORUM

- 8.26.1 A **Transmission Charging Methodology Forum** shall be established by **The Company** and shall be chaired by **The Company**.
- 8.26.2 The **CUSC Modifications Panel** shall adopt the terms of reference of the **Transmission Charging Methodology Forum** and may change those terms of reference from time to time as it sees fit.
- 8.26.3 The **Transmission Charging Methodology Forum** shall provide a forum for regular communication and discussion of issues relating to the **Transmission Charging Methodologies** and their development between **The Company** and **CUSC Parties, BSC Parties** and any **Materially Affected Parties**.

8.27 CONFIDENTIALITY

- 8.27.1 Any representations submitted by a person pursuant to the **CUSC Modification Procedures** may be made publicly available save as otherwise expressly requested by such person by notice in writing to the **Code Administrator**. A **Workgroup Consultation Alternative Request** may in all cases be made publicly available.
- 8.27.2 The **CUSC Modifications Panel, The Company** and the **Code Administrator** shall not be liable for any accidental publication of a representation which is the subject of a request made under Paragraph 8.27.1.
- 8.27.3 For the avoidance of doubt, all representations (whether or not marked confidential) shall be sent to the **Authority**.

8.28 IMPLEMENTATION

- 8.28.1 The **CUSC** shall be modified either in accordance with the terms of the direction by the **Authority** relating to, or other approval by the **Authority** of, the **CUSC Modification Proposal** or any **Workgroup Alternative CUSC Modification(s)** contained in the relevant **CUSC Modification Report**, or in respect of **CUSC Modification Proposals** or any **Workgroup Alternative CUSC Modification(s)** that are subject to the determination of the **CUSC Modifications Panel** pursuant to Paragraph 8.25.9, in accordance with the relevant **CUSC Modification Self-Governance Report** subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19.
- 8.28.2 The **Code Administrator** shall forthwith notify (by publication on the **Website** and, where relevant details are supplied by electronic mail):
- (a) each **CUSC Party**;
 - (b) each **Panel Member**;
 - (c) the **Authority**;
 - (d) each **Core Industry Document Owner**,
 - (e) the secretary of the **STC** committee;
 - (f) the **CM Administrative Parties**;
 - (g) **CfD Administrative Parties**;
 - (h) each **BSC Party** via ELEXON;
 - (i) each **Materially Affected Party**; and
 - (j) the **Citizens Advice** and the **Citizens Advice Scotland**

of the change so made and the effective date of the change.

- 8.28.3 A modification of the **CUSC** shall take effect from the time and date specified in the direction, or other approval, from the **Authority** referred to in Paragraph 8.28.1 or, in the absence of any such time and date in the direction or approval, from 00:00 hours on the day falling ten (10) **Business Days** after the date of such direction, or other approval, from the **Authority** except in relation to a modification of the **CUSC** in respect of the **Charging Methodologies**, which may only take effect from 1 April of any given year unless otherwise directed by the **Authority** in accordance with Paragraphs 8.23.9, 8.23.12, 8.23.13 or 8.28.3A following consultation with the **Panel**. A modification of the **CUSC** pursuant to Paragraph 8.25.10 shall take effect, subject to the appeal procedures set out in Paragraphs 8.25.14 to 8.25.19, from the time and date specified by the **Code Administrator** in its notice given pursuant to Paragraph 8.28.2, which shall be given after the expiry of the fifteen (15) **Business Day** period set out in Paragraph 8.25.14 to allow for appeals, or where an appeal is raised in accordance with Paragraph 8.25.14, on conclusion of the appeal in accordance with Paragraphs 8.25.15 or 8.25.19 but where conclusion of the appeal is earlier than the fifteen (15) **Business Day** period set out in Paragraph 8.25.14, notice shall be given after the expiry of this period. A modification of the **CUSC** pursuant to Paragraph 8.29 shall

take effect, from the date specified in the **CUSC Modification Fast Track Report**.

- 8.28.3A Where the **Authority** considers that taking into account the complexity, importance and urgency of the modification exceptional circumstances apply the **Authority** may, having set out in writing its reasons for this, direct a modification of the **CUSC** in respect of the **Charging Methodologies** to take effect from a date other than 1 April.
- 8.28.4 A modification made pursuant to and in accordance with Paragraph 8.28.1 shall not be impaired or invalidated in any way by any inadvertent failure to comply with or give effect to this Section.
- 8.28.5 If a modification is made to the **CUSC** in accordance with the **Transmission Licence** but other than pursuant to the other **CUSC Modification Procedures** in this Section 8, the **CUSC Modifications Panel** shall determine whether or not to submit the modification for review by a **Standing Group** in accordance with Paragraph 8.21 on terms specified by the **CUSC Modifications Panel** to consider and report as to whether any alternative modification could, as compared with such modification better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of the original modification.

Transitional Issues

- 8.28.6 Notwithstanding the provisions of Paragraph 8.28.3, **CUSC Modification Proposal CAP 160** changes the **CUSC Modification Process** and therefore may affect other **CUSC Modification Proposals** which have not yet become **Approved CUSC Modifications**. Consequently, this Paragraph deals with issues arising out of the implementation of **CUSC Modification Proposal CAP 160**. In particular this Paragraph deals with which version of the **CUSC Modification Process** will apply to **CUSC Modification Proposal(s)** which were already instigated prior to the implementation of **CUSC Modification Proposal CAP 160**.

In respect of any **CUSC Modification Proposal** which the **CUSC Modification Panel** has determined, as at the date and time of implementation of **CUSC Modification Proposal CAP 160** (as directed by the **Authority**), should proceed to wider consultation by **The Company** is known as an "**Old CUSC Modification Proposal**". In respect of any **CUSC Modification Proposal** where the **CUSC Modification Panel** has not determined, as at the date and time of implementation of **CUSC Modification Proposal CAP 160** (as directed by the **Authority**), that it should proceed to wider consultation by **The Company** is known as a "**New CUSC Modification Proposal**". The provisions of Section 8 and the associated definitions in Section 11 which will apply to any **Old CUSC Modification Proposal(s)** are the provisions of Section 8 and the associated definitions in Section 11 of the **CUSC** which are in force immediately prior to the implementation of CAP 160. The provisions of Section 8 and the associated definitions in Section 11 which will apply to any **New CUSC Modification Proposals** are the provisions of the **CUSC** in force from time to time.

- 8.28.7 Notwithstanding the provisions of Paragraph 8.28.3, **CUSC Modification Proposals CAP 183, 184, 185 and 188** change the **CUSC Modification Process** and therefore may affect other **CUSC Modification Proposals** which have not as at the last date of the implementation of these changes become **Approved CUSC Modifications**. Consequently, this Paragraph deals with

issues arising out of the implementation of **CUSC Modification Proposals** CAP 183, 184, 185 and 188. In particular this Paragraph deals with which version of the **CUSC Modification Process** will apply to **CUSC Modification Proposal(s)** which were already instigated prior to the implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188.

Any **CUSC Modification Proposal** that was submitted pursuant to Paragraph 8.16.4 prior to the implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188 is known as an “**Old CUSC Modification Proposal**”. Any **CUSC Modification Proposal** that was submitted pursuant to Paragraph 8.16.4 on the date of or any date following implementation of the last of **CUSC Modification Proposals** CAP 183, 184, 185 and 188 is known as a “**New CUSC Modification Proposal**”. The provisions of Section 8 and the associated definitions in Section 11 that will apply to any **Old CUSC Modification Proposal(s)** are the provisions of Section 8 and the associated definitions in Section 11 of the **CUSC** that are in force immediately prior to the implementation of the last of CAP 183, 184, 185 and 188. The provisions of Section 8 and the associated definitions in Section 11 that will apply to any **New CUSC Modification Proposals** are the provisions of the **CUSC** in force from time to time.

8.29 FAST TRACK

- 8.29.1 Where a **Proposer** believes that a modification to the **CUSC** which meets the **Fast Track Criteria** is required, a **CUSC Modification Fast Track Proposal** may be raised. In such case the **Proposer** is only required to provide the details listed in Paragraph 8.16.4 (a), (b), (c), (d), (e) and (k).
- 8.29.2 Provided that the **Panel Secretary** receives any modification to the **CUSC** which the **Proposer** considers to be a **CUSC Modification Fast Track Proposal**, not less than ten (10) **Business Days** (or such shorter period as the **Panel Secretary** may agree, provided that the **Panel Secretary** shall not agree any period shorter than five (5) **Business Days**) prior to the next **CUSC Modifications Panel** meeting, the **Panel Secretary** shall place the **CUSC Modification Fast Track Proposal** on the agenda of the next **CUSC Modifications Panel** meeting, and otherwise, shall place it on the agenda of the next succeeding **CUSC Modifications Panel** meeting.
- 8.29.3 To facilitate the discussion at the **CUSC Modifications Panel** meeting, the **Code Administrator** will circulate a draft of the **CUSC Modification Fast Track Report** to **CUSC Parties**, the **Authority** and **Panel Members** (and its provision in electronic form on the **Website** and in electronic mails to **CUSC Parties**, the **Authority** and **Panel Members**, who must supply relevant details, shall meet this requirement) for comment not less than five (5) **Business Days** ahead of the **CUSC Modifications Panel** meeting which will consider whether or not the **Fast Track Criteria** are met and whether or not to approve the **CUSC Modification Fast Track Proposal**.
- 8.29.4 It is for the **CUSC Modifications Panel** to decide whether or not a **CUSC Modification Fast Track Proposal** meets the **Fast Track Criteria** and if it does, to determine whether or not to approve the **CUSC Modification Fast Track Proposal**.
- 8.29.5 The **CUSC Modifications Panel's** decision that a **CUSC Modification Fast Track Proposal** meets the **Fast Track Criteria** pursuant to Paragraph 8.29.4 must be unanimous.

- 8.29.6 The **CUSC Modifications Panel's** decision to approve the **CUSC Modification Fast Track Proposal** pursuant to Paragraph 8.29.4 must be unanimous.
- 8.29.7 If the **CUSC Modifications Panel** vote unanimously that the **CUSC Modification Fast Track Proposal** meets the **Fast Track Criteria** and to approve the **CUSC Modification Fast Track Proposal** (which shall then be an "**Approved CUSC Modification Fast Track Proposal**") until implemented, or until an objection is received pursuant to Paragraph 8.29.12), then subject to the objection procedures set out in paragraph 8.29.12 the **CUSC Modification Fast Track Proposal** will be implemented by **The Company** without the **Authority's** approval. If the **CUSC Modifications Panel** do not unanimously agree that the **CUSC Modification Proposal** meets the **Fast Track Criteria** and/or do not unanimously agree that the **CUSC Modification Fast Track Proposal** should be made, then the **Panel Secretary** shall, in accordance with Paragraph 8.16.4A notify the **Proposer** that additional information is required if the **Proposer** wishes the **CUSC Modification Proposal** to continue.
- 8.29.8 Provided that the **CUSC Modifications Panel** have unanimously agreed to treat a **CUSC Modification Proposal** as a **CUSC Modification Fast Track Proposal** and unanimously approved that **CUSC Modification Fast Track Proposal**, the **CUSC Modifications Panel** shall prepare and approve the **CUSC Modification Fast Track Report** for issue in accordance with Paragraph 8.29.11.
- 8.29.9 The matters to be included in a **CUSC Modification Fast Track Report** shall be the following (in respect of the **CUSC Modification Fast Track Proposal**):
- (a) a description of the proposed modification and of its nature and purpose;
 - (b) details of the changes required to the **CUSC**, including the proposed legal text to modify the **CUSC** to implement the **CUSC Modification Fast Track Proposal**;
 - (c) details of the votes required pursuant to Paragraphs 8.29.5 and 8.29.6
 - (d) the intended implementation date, from which the **Approved CUSC Modification Fast Track Proposal** will take effect, which shall be no sooner than fifteen (15) **Business Days** after the date of notification of the **CUSC Modifications Panel's** decision to approve; and
 - (e) details of how to object to the **Approved CUSC Modification Fast Track Proposal** being made.
- 8.29.10 Upon approval by the **CUSC Modifications Panel** of the **CUSC Modification Fast Track Report**, the **Code Administrator** will issue the report in accordance with Paragraph 8.29.11.
- 8.29.11 The **Code Administrator** shall copy (by electronic mail to those persons who have supplied relevant details to the **Code Administrator**) the **CUSC Modification Fast Track Report** prepared in accordance with Paragraph 8.29 to:
- (i) each **CUSC Party**;

- (ii) each **Panel Member**;
- (iii) the **Authority**; and
- (iv) any person who may request a copy,

and shall place a copy on the **Website**.

8.29.12 A **CUSC Party**, a **BSC Party**, the **Citizens Advice**, the **Citizens Advice Scotland** or the **Authority** may object to the **Approved CUSC Modification Fast Track Proposal** being implemented, and shall include with such objection an explanation as to why the objecting person believes that it does not meet the **Fast Track Criteria**. Any such objection must be made in writing (including by email) and be clearly stated to be an objection to the **Approved CUSC Modification Fast Track Proposal** in accordance with this Paragraph 8.29 of the **CUSC** and be notified to the **Panel Secretary** by the date up to and including fifteen (15) **Business Days** after notification of the **CUSC Modifications Panel's** decision to approve the **CUSC Modification Fast Track Proposal**. If such an objection is made the **Approved CUSC Modification Fast Track Proposal** shall not be implemented. The **Panel Secretary** will notify each **Panel Member**, each **CUSC Party** and the **Authority** of the objection. The **Panel Secretary** shall notify the **Proposer**, in accordance with Paragraph 8.16.4A that additional information is required if the **Proposer** wishes the **CUSC Modification Proposal** to continue.

ANNEX 8A ELECTION OF USERS' PANEL MEMBERS

8A.1 GENERAL

8A.1.1 Introduction

8A.1.1.1 This Annex 8A sets out the basis for election of **Users' Panel Members** and **Alternate Members** for the purpose of Paragraphs 8.4.2. and 8.7.2

8A.1.1.2 This Annex 8A shall apply:

- (a) in relation to each year (the "**Election Year**") in which the term of office of **Users' Panel Members** and **Alternate Members** expires, for the purposes of electing **Users' Panel Members** and **Alternate Members** to hold office with effect from 1st October in that year;
- (b) subject to and in accordance with Paragraph 8A.4, upon a **Users' Panel Member** and/or **Alternate Members** ceasing to hold office before the expiry of his term of office.

8A.1.1.3 For the purposes of an election under Paragraph 8A.1.1.2(a) references to **Users** are to persons who are **Users** as at 20th June in the election year.

8A.1.1.4 On or around 20th June in each election year the **Code Administrator** shall publish a list of **Users** (in accordance with 8A.1.1.3) and their associated **Voting Groups** (as defined in Paragraph 8A.3.1.2) and any **User** who wishes to vote shall confirm (to the best of their knowledge) to the **Code Administrator** the validity of their allocated **Voting Group** or any errors or omissions by the date which will have been published in the **Election Timetable** (as defined in Paragraph 8A.1.2.1) and this shall be no later than the date identified under Paragraph 8A1.2.1(b).

8A.1.1.54 If a **User** does not validate their **Voting Group** to the best of their knowledge in accordance with Paragraph 8A.1.1.4 to the **Code Administrator** by the date stated within the **Election Timetable** then no voting papers will be sent to that **User** and that **User** will become ineligible to vote in such **Election Year**.

8A.1.1.6 The **Code Administrator** shall administer each election of **Users' Panel Members** and **Alternate Members** pursuant to this Annex 8A.

8A.1.2 Election timetable

8A.1.2.1 The **Code Administrator** shall not later than 1st July in the election year prepare and circulate to all **Users** (by publication on the **Website** and, where relevant details are supplied, by electronic mail), with a copy to the **Authority**, an invitation to nominate candidates who must be willing to be either a **User Panel Member** or an **Alternate Member** and a timetable for the election (the "**Election Timetable**"), setting out:

- (a) the date by which nominations of candidates are to be received, which shall not be less than three (3) weeks after the timetable is circulated;
- (b) the date by which the **Code Administrator** shall circulate a list of candidates and voting papers;
- (c) the date by which voting papers are to be submitted, which shall not be less than three (3) weeks after the date for circulating voting papers;

- (d) the date by which the results of the election will be made known, which shall not be later than 15th September in the **Election Year**.

8A.1.2.2 If for any reason it is not practicable to establish an election timetable in accordance with Paragraph 8A.2.1.1 or to proceed on the basis of an election timetable which has been established, the **Code Administrator** may establish a different timetable, or revise the election timetable, by notice to all **Users**, the **CUSC Modifications Panel** and the **Authority**, provided that such timetable or revised timetable shall provide for the election to be completed before 1st October in the **Election Year**.

8A.1.2.3 A nomination or voting paper received by the **Code Administrator** later than the respective required date under the election timetable (subject to any revision under Paragraph 8A.1.2.2) shall be disregarded in the election.

8A.2. CANDIDATES

8A.2.1 Nominations

8A.2.1.1 Nominations for candidates shall be made in accordance with the **Election Timetable**.

8A.2.1.2 Subject to Paragraph 8A.1.1.3, each **User** may nominate one candidate for election by giving notice to the **Code Administrator**.

8A.2.2 List of candidates

8A.2.2.1 The **Code Administrator** shall draw up a list of the nominated candidates and circulate the list to all **Users** by the date specified in the **Election Timetable**.

8A.2.2.2 The list shall specify the **User** by whom each candidate was nominated and any affiliations which the candidate may wish to have drawn to the attention of **Users**.

8A.2.2.3 Except where Paragraphs 8A.4.3 or 8A.4.4 apply, if ~~seven-five (57)~~ or fewer candidates are nominated no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Users' Panel Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

8A.2.2.4 Where Paragraph 8A.4.3 applies, if only one (1) candidate is nominated, no further steps in the election shall take place and such candidate shall be treated as elected as a **Panel Member** and Paragraph 8A.3.2.4 shall apply in relation to such candidate.

8A.2.2.5 Where Paragraph 8A.4.4 applies, if five (5) or fewer candidates are nominated, no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Alternate Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

8A.2.2.6 Each nominated candidate shall make the declaration referred to in Paragraph 8.3.4(b)(iii) in order for such candidate's relevant interests to be published alongside the list of nominated candidates pursuant to Paragraphs confirm to the Code Administrator all interests referred to in Paragraph 8.3.4(b)(iii) for the purpose 8A.2.2.1 and 8A.2.2.2. and if failure to do so make such a declaration shall result in the relevant candidate becoming an ineligible candidate who shall not be included on the list of nominated candidates. will make such nominated candidate ineligible to remain as a candidate.

8A.3. VOTING

8A.3.1 Voting papers

8A.3.1.1 Voting papers shall be submitted in accordance with the election timetable.

8A.3.1.2 In accordance with the process set out in Paragraph 8A.1.1.4 the Code Administrator will allocate each User to a Voting Group. For the purposes of this Annex 8A, a "Voting Group" means a User and all Affiliates of that User (a 'Voting Group').

8A.3.1.3 Each Voting Group User may submit ~~one~~ up to a maximum of four (4) voting papers in accordance with Paragraph 8A.3.1.4.

8A.3.1.4 Each Voting Group will receive one voting paper in respect of all User(s) in such Voting Group who fall within each of the following categories:

- (a) the Generation Voting Group;
- (b) the Supply Voting Group;
- (c) the Demand Voting Group; and
- (d) the Interconnector Voting Group.

8A.3.1.5 The Voting Group will designate which specific User(s) within their Voting Group should receive the voting paper(s) in accordance with Paragraph 8A.3.1.4 and only such designated User(s) (the "voting" User(s)) in the Voting Group may submit voting paper(s).

8A.3.1.6 In the event that a User in a Voting Group who is not a voting User submits voting papers:

- (a) the Code Administrator will use reasonable endeavours to contact each of the relevant Users to establish which of them is to be the voting User(s);
- (b) if one of such Users is confirmed as the voting User by each of the Users which the Code Administrator contacts, that User will be the voting User; and
- (c) otherwise, the Code Administrator shall select the voting User(s) at random and the other voting papers will be disregarded.

8A.3.2 Preference votes and voting rounds

8A.3.2.1 Each Voting Group User submitting a voting paper or voting papers shall vote by indicating on ~~each eligible~~ the voting paper a first, second and third preference ("Preference Votes") among the candidates.

8A.3.2.2 A voting paper need not indicate a second, or a third, preference, but the same candidate may not receive more than one Preference Vote in a single voting paper.

8A.3.2.3 Candidates shall be elected in three voting rounds (together where necessary with a further round under Paragraph 8A.3.6) in accordance with the further provisions of this Paragraph 8A.3.

8A.3.2.4 The Code Administrator shall determine which candidates are elected and announce (to the Authority and all Users) the results of the election in accordance with the election timetable.

8A.3.2.5 The **Code Administrator** shall not disclose the **Preference Votes** cast by **Users** within any Voting Group or received by candidates; but a **User** may by notice to the **Authority** require that the **Authority** scrutinise the conduct of the election, provided that such **User** shall bear the costs incurred by the **Authority** in doing so unless the **Authority** recommends that the election results should be annulled.

8A.3.2.6 Further references to voting papers in this Paragraph 8A.3 do not include voting papers which are invalid or are to be disregarded (i.e. voting papers not made or submitted in accordance with the **CUSC**.)

8A.3.3 First voting round

8A.3.3.1 In the first voting round:

(a) the number of first **Preference Votes** allocated under all voting papers to each candidate shall be determined.

(b) the first round qualifying total shall be:

$$(T / N) + 1$$

where

T is the total number of first **Preference Votes** in all voting papers;

N is the number of **Users' Panel Members** and/or **Alternate Members** to be elected.

8A.3.3.2 If the number of first **Preference Votes** allocated to any candidate is equal to or greater than the first round qualifying total, that candidate shall be elected.

8A.3.4 Second voting round

8A.3.4.1 In the second voting round:

(a) the remaining candidates are those which were not elected in the first voting round;

(b) the remaining voting papers are voting papers other than those under which the first **Preference Votes** were for candidates elected in the first voting round;

(c) the number of first and second **Preference Votes** allocated under all remaining voting papers to each remaining candidate shall be determined;

(d) the second round qualifying total shall be

$$(T' / N') + 1$$

where T' is the total number of first **Preference Votes** and second **Preference Votes** allocated under all remaining voting papers; N' is the number of **Panel Members** and/or **Alternate Members** remaining to be elected after the first voting round.

8A.3.4.2 If the number of first and second **Preference Votes** allocated to any remaining candidate is equal to or greater than the second round qualifying total, that candidate shall be elected.

8A.3.5 Third voting round

8A.3.5.1 In the third voting round:

- (a) the remaining candidates are those which were not elected in the first or second voting rounds;
- (b) the remaining voting papers are voting papers other than those under which the first or second **Preference Votes** were for candidates elected in the first or second voting rounds;
- (c) the number of first, second and third **Preference Votes** allocated under all remaining voting papers to each remaining candidate shall be determined;
- (d) the third round qualifying total shall be

$$(T'' / N'') + 1$$

where T'' is the total number of first **Preference Votes**, second **Preference Votes** and third **Preference Votes** allocated under all remaining voting papers;

N'' is the number of **Panel Members** remaining to be elected after the first and second voting rounds.

8A.3.5.2 If the number of first, second and third **Preference Votes** allocated to any remaining candidate is equal to or greater than the third round qualifying total, that candidate shall be elected.

8A.3.6 Further provisions

8A.3.6.1 If after any voting round the number of candidates achieving the required **Preference Votes** threshold exceeds the number of persons remaining to be elected, the following tie-break provisions shall apply between the tied candidates. In addition, if after the third voting round any **Panel Member(s)** or **Alternate Member(s)** remain to be elected the following tie-break provisions shall apply between the remaining candidates:

- (a) the tied or remaining candidates (as applicable) shall be ranked in order of the number of first **Preference Votes** allocated to them, and the candidate(s) with the greatest number of such votes shall be elected;
- (b) in the event of a tie between two or more candidates within Paragraph (a), the candidate(s) (among those tied) with the greatest number of second **Preference Votes** shall be elected;
- (c) in the event of a tie between two or more candidates within Paragraph (b), the **Code Administrator** shall select the candidate(s) (among those tied) to be elected by drawing lots.

8A.3.6.2 As soon as reasonably practicable after any election process has concluded the **Code Administrator** shall publish an election report including but not limited to the following:

- i) the total number of voting papers distributed to **Users** eligible to vote;
- ii) the total number of voting papers received;

- iii) the total number of first, second and third preference votes allocated to each candidate in all voting papers;
- iv) the total number of remaining voting papers in each voting round;
- v) the total number of remaining **Panel Members** to be elected in each voting round;
- vi) the value of the qualifying total in each voting round; and
- vii) the total number of qualifying **Preference Votes** allocated to each remaining candidate under all remaining voting papers in each voting round.

8A.3.7 **Alternate Members and Panel Members**

- 8A.3.7.1 Except where Paragraphs 8A.4.3 or 8A.4.4 apply, the ~~five~~^{seven} (5~~7~~) candidates receiving the greatest number of votes shall be elected as **Users' Panel Members** and the next five (5) shall be elected as **Alternate Members**.
- 8A.3.7.2 Where Paragraph 8A.4.3 applies the number of candidate(s) up to and including the number of **Panel Member Interim Vacancies** receiving the greatest number of votes pursuant to the **Interim Panel and Alternate Election Process** shall be elected as **Users' Panel Member(s)** and the remaining candidates up to and including the number of **Alternate Member Interim Vacancies** receiving the greatest number of votes shall be elected as **Alternate Member(s)**.
- 8A.3.7.3 Where Paragraph 8A.4.4 applies the five (5) candidates receiving the greatest number of votes pursuant to the **Alternate Election Process** shall be elected as **Alternate Members**.

8A.4. **VACANCIES**

8A.4.1 **General**

- 8A.4.1.1 If a **Panel Member** (other than an Independent Member) ceases to hold office pursuant to Paragraph 8.6.1 (b) (i) then Paragraph 8A.4.2 shall apply.
- 8A.4.1.2 If a **Panel Member** (other than an Independent Member) ceases to hold office pursuant to Paragraph 8.6.1 (a), 8.6.1 (b) (ii) to (vi) (inclusive) or 8.6.1 (c) to (e) (inclusive) then Paragraph 8A.4.3 shall apply.
- 8A.4.1.3 If an **Alternate Member** ceases to hold office pursuant to Paragraph 8.6 (the "**Resigning**" **Alternate Member**) then Paragraph 8A.4.4 shall apply.
- 8A.4.1.4 The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or any replacement **Alternate Member** under this Paragraph 8A.4.

8A.4.1.5 If an Independent Member ceases to hold office pursuant to Paragraph 8.6 (the "**Resigning**" **Independent Member**) then Paragraph 8A.4.5 shall apply.

8A.4.2 **Replacement of a Panel Member** (other than an Independent Member) who ceases to hold office pursuant to Paragraph 8.6.1 (b) (i)

8A.4.2.1 Where this Paragraph 8A.4.2 applies, and in accordance with the duties set out in Paragraph 8.3.4(a), ~~the such Panel Member Chairman may shall~~ appoint a replacement **Panel Member** (subject to Paragraph 8A.4.2.2) for the remainder of

the term of office of such **Panel Member** and shall notify the **Panel Secretary** of a replacement **Panel Member** as soon as reasonably practicable after they have been informed of such resignation by the **Panel Secretary** the same time as they resign. If such **Panel Member** does not appoint a replacement at the time of notifying the **Panel Secretary** of their resignation then such **Panel Member** will be replaced in accordance with Paragraph 8A.4.3 and this Paragraph 8A.4.2.1 shall no longer apply.

8A.4.2.2 ~~A~~The **Panel Chairman**~~Member~~ shall only appoint an **Alternate Member** to be ~~the~~his replacement pursuant to Paragraph 8A.4.2.1 and such **Alternate Member** chosen to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.

8A.4.3 **Replacement of a Panel Member (other than an Independent Member) who ceases to hold office pursuant to Paragraph 8.6.1 (a), 8.6.1 (b) (ii) to (vi) (inclusive) or 8.6.1 (c) to (e) inclusive)**

8A.4.3.1 Subject to Paragraph 8A.4.3.2, such **Panel Member** shall, where one or more **Alternate Member(s)** hold office, be replaced by the **Alternate Member** who previously received the highest number of cumulative **Preference Votes** but if there were a tie-break in relation to such **Preference Votes** then the tie-break provisions set out in Paragraph 8A.3.6.1 shall apply, in either circumstance such **Alternate Member** selected to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.

8A.4.3.2 If there are no **Alternate Members** in office upon a **Panel Member** ceasing to hold office then:

- (a) Where there are not less than six (6) months remaining until the next full election further **Panel Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following Paragraphs 8A.4.3.3 to 8A.4.3.5 (inclusive) (the "**Interim Panel and Alternate Election Process**").
- (b) Where there are less than six (6) months remaining until the next full election no further **Panel Members** or **Alternate Members** shall be elected pursuant to this Paragraph 8A.4.3 and the positions shall remain vacant until the next full election.

8A.4.3.3 Where this Paragraph 8A.4.3.3 applies the **Code Administrator** shall indicate in the invitation referred to at Paragraph 8A.1.2.1 the number of vacancies for both **Panel Member(s)** ("**Panel Member Interim Vacancies**") and **Alternate Member(s)** ("**Alternate Member Interim Vacancies**") for which the **Interim Panel and Alternate Election Process** is being held.

8A.4.3.4 Any **Panel Member(s)** or **Alternate Member(s)** elected pursuant to the **Interim Panel and Alternate Election Process** shall cease to hold office at the next full election.

8A.4.3.5 The timetable for the **Interim Panel and Alternate Election Process** shall be expedited and the **Code Administrator** shall prepare a timetable accordingly.

8A.4.4 Replacement of a Resigning Alternate Member

8A.4.4.1 Subject to Paragraph 8A.4.4.2 a **Resigning Alternate Member** shall not be replaced.

8A.4.4.2 If there are no **Alternate Members** remaining in office following the resignation of

an **Alternate Member** or their appointment as **Panel Member** in accordance with 8A.4.2 or 8A.4.3 then

- (a) Where there are not less than six (6) months remaining until the next full election further **Alternate Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following paragraphs 8A.4.4.3 to 8A.4.4.5 (inclusive) (the "**Alternate Election Process**").
- (b) Where there are less than six (6) months remaining until the next full election no further **Alternate Members** shall be elected and the positions shall remain vacant until the next full election

8A.4.4.3 Where this paragraph 8A.4.4.3 applies, a reference in Paragraphs 8A.2 and 8A.3 to a **Users' Panel Member** or **Panel Member** shall not apply except in the case of Paragraph 8A.3.5.1 (d) where the reference to "**Panel Members**" shall be read and construed as a reference to "**Alternate Members**".

8A.4.4.4 Any **Alternate Member(s)** elected pursuant to the **Alternate Election Process** shall cease to hold office at the next full election.

8A.4.4.5 The timetable for the **Alternate Election Process** shall be expedited and the **Code Administrator** shall prepare a timetable accordingly.

8A.4.5 Replacement of a Resigning Independent Member

8A.4.5.1 Where this Paragraph 8A.4.5 applies, and in accordance with the duties set out in Paragraph 8.3.4(a), The Company shall appoint a replacement Panel Member (subject to Paragraph 8A.4.5.2) for the remainder of the term of office of the Resigning Independent Member and shall notify the Panel Secretary of a replacement Independent Member as soon as reasonably practicable.

8A.4.5.2 The Company shall only appoint an Alternate Member to be the replacement pursuant to Paragraph 8A.4.5.1 and such Alternate Member chosen to be a Independent Member shall then become a Resigning Alternate Member and be replaced in accordance with Paragraph 8A.4.4.

END OF SECTION 8

CUSC - SECTION 11

INTERPRETATION AND DEFINITIONS

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- 11.1 Introduction
- 11.2 Interpretation and Construction
- 11.3 Definitions

SECTION 11

INTERPRETATION AND DEFINITIONS

11.1 INTRODUCTION

This Section sets out general rules to be applied in interpreting the **CUSC, Bilateral Agreements, Construction Agreements** and **Mandatory Services Agreements**. It also sets out the defined terms used by the **CUSC** (other than those defined elsewhere in the **CUSC**) and other agreements. Those other agreements may, in accordance with Paragraph 11.2.2, have their own further interpretation rules and defined terms which apply only to the individual agreements.

11.2 INTERPRETATION AND CONSTRUCTION:

11.2.1 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:

- (a) the interpretation rules in this Paragraph 11.2; and
- (b) the words and expressions defined in Paragraph 11.3,

shall, unless the subject matter or context otherwise requires or is inconsistent therewith, apply.

11.2.2 Save as otherwise expressly provided in the **CUSC**, in the event of any inconsistency between the provisions of any **Bilateral Agreement, Mandatory Services Agreement** or **Construction Agreement** and the **CUSC**, the provisions of the **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** shall prevail in relation to the **Connection Site** which is the subject thereof to the extent that the rights and obligations of **Users** not party to that **Bilateral Agreement, Mandatory Services Agreement** or **Construction Agreement** are not affected.

11.2.3 If in order to comply with any obligation in the **CUSC**, any **Bilateral Agreement** or any **Construction Agreement** any **CUSC Party** is under a duty to obtain the consent or approval (including any statutory licence or permission) ("the **Consent**") of a third party (or the **Consent** of another **CUSC Party**) such obligation shall be deemed to be subject to the obtaining of such **Consent** which the **CUSC Party** requiring the **Consent** shall use its reasonable endeavours to obtain including (if there are reasonable grounds therefor) pursuing any appeal in order to obtain such **Consent**.

11.2.4 If such **Consent** is required from any **CUSC Party** then such **CUSC Party** shall grant such **Consent** unless it is unable to do so or it would be unlawful for it to do so provided that such grant by such **CUSC Party** may be made subject to such reasonable conditions as such **CUSC Party** shall reasonably determine.

- 11.2.5 For the avoidance of doubt if the **CUSC Party** who is under a duty to obtain such **Consent** fails to obtain such **Consent** having complied with this Paragraph 11.2 the obligation on that **CUSC Party** (in relation to which such **Consent** is required) shall cease.
- 11.2.6 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:
- (a) unless the context otherwise requires all references to a particular Paragraph, Part, Section, Schedule or Exhibit shall be a reference to that Paragraph, Part, Section, Schedule or Exhibit in or to the **CUSC** and all references to a particular Appendix shall be a reference to that Appendix to a **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** (as the case may be);
 - (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing the **CUSC** or a **Bilateral Agreement**, **Construction Agreement** or **Mandatory Services Agreement** as the case may be;
 - (c) references to the words "include" or "including" are to be construed without limitation to the generality of the preceding words;
 - (d) unless the context otherwise requires any reference to an Act of Parliament or any part or section or other provision of or schedule to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament; and
 - (e) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.
- 11.2.7 In the case of **OTSDUW Build**, if the **Transmission Interface Site** is **Operational** prior to the **OTSUA Transfer Time** the **User's Equipment** will be connected to the **National Electricity Transmission System** through the connection of the **OTSUA** to the **National Electricity Transmission System** at the **Transmission Interface Point** until the **OTSUA Transfer Time**. In such case and until the **OTSUA Transfer Time**, where provisions of the **CUSC** apply in relation to (a) **User's Equipment**; such provisions and references to **User's Equipment** shall be construed where the context requires as being instead references to or including (as the context requires) **OTSUA** unless the context otherwise requires; and (b) **User's Equipment** by reference to the **Connection Site**; such provisions and references to **User's Equipment** and **Connection Site** in the **CUSC** shall be construed as being instead references to or including (as the context requires) **OTSUA** and **Transmission Interface Site** respectively unless the context otherwise requires;

11.3 DEFINITIONS

The following terms shall have the following meanings:

"10 Clear Days"	defined as 10 complete periods of 24 hours from 00:00hrs to 24:00hrs;
"ABSVD Methodology Statement"	the document entitled "Applicable Balancing Services Volume Data Methodology Statement", as published by The Company as the same may be amended from time to time;
"Accession Agreement"	an agreement in or substantially in the form of Exhibit A to the CUSC whereby an applicant accedes to the CUSC Framework Agreement ;
"Acceptance Volume"	as defined in the Balancing and Settlement Code ;
"Act"	the Electricity Act 1989;
"Active Power"	the product of voltage and the in-phase component of alternating current measured in units of watts and standard multiples thereof i.e. 1000 watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
"Actual Amount"	as defined in Paragraph 3.13;
"Actual Attributable Works Cancellation Charge"	where the Attributable Works Cancellation Charge is calculated in accordance with Paragraph 3.5.2 of Part Two of the User Commitment Methodology ;
"Additional Load"	Site Load other than Station Load and importing Generating Units for processes other than the production of electricity;
"Additional Scheduling Data"	as defined in the Grid Code on the day prior to the NETA Go-live Date ;
"Adjusted LDTEC Profile"	the LDTEC Profile as adjusted by the MW cap specified by the User in its acceptance of the LDTEC Block Offer in accordance with CUSC Paragraph 6.32.6.4;
"Affected User"	a User : a) with Transmission Entry Capacity for the Connection Site against which the affected Export BM Unit or Associated Export BM Unit 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**;

"Affiliate"	in relation to The Company (and in relation to Paragraphs 3.6.9.8, 6.14 and 8A.4.2.2, any User) means any holding company or subsidiary of The Company (or the User as the case may be) or any subsidiary of a holding company of The Company (or the User as the case may be), in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985 as substituted by section 144 of the Companies Act 1989;
"AF Rules"	has the meaning given to "allocation framework" in section 13(2) of the Energy Act 2013
"Agency"	means the Agency for the Cooperation of the Energy Regulators established under 2009/713/EC of the European Parliament and of the Council of the 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators as amended from time to time;
"Agency Business"	any business of The Company or any Affiliate or Related Undertaking in the purchase or other acquisition or sale or other disposal of electricity as agent for any other Authorised Electricity Operator ;
"Agreed Ancillary Services"	Part 2 System Ancillary Services and Commercial Ancillary Services ;
"Agreed Value"	the value attributed by The Company to the form of security provided that if The Company and the User cannot agree on such value then the value will be determined by an expert appointed by The Company and the User or, failing their agreement as to the expert, the expert nominated by the Director General of The Institute of Credit Management;
"Alternate Election Process"	as defined in Paragraph 8A.4.4.2;
"Alternate Member(s)"	persons appointed as such pursuant to Paragraph 8.7.2;
"Alternate Member Interim Vacancies"	as defined in Paragraph 8A.4.3.3;
"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) (i) a **Total Shutdown**
(ii) a **Partial Shutdown**, but only for any period of **Interruption** which coincides with a **Market Suspension Period**;
- 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**;

"Ancillary Services"	System Ancillary Services and/or Commercial Ancillary Services as the case may be;
"Ancillary Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Ancillary Services , which term shall include without limitation a Mandatory Services Agreement ;
"Annual Average Cold Spell (ACS) Conditions"	a particular combination of weather elements which gives rise to a level of peak Demand within an The Company Financial Year which has a 50% chance of being exceeded as a result of weather variation alone;
"Annual Wider Cancellation Amount Statement"	the statement published by The Company each Financial Year in accordance with the User Commitment Methodology ;
"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Applicant"	a person applying for connection and/or use of system under the CUSC ;
"Applicable CUSC Objectives"	as defined in the Transmission Licence ;
"Applicable Value"	the highest contractual Transmission Entry Capacity figure for year "t" provided to The Company up to and including 31 October in year "t-1" for publication in the October update of the Seven Year

	Statement;
"Application for a STTEC"	an application made by a User in accordance with the Offer " Paragraph 6.31 for Short Term Capacity for a STTEC Period ;
"Approved Agency"	the panel of three independent assessment agencies appointed by The Company and other network operators from time to time for the purpose of providing Independent Credit Assessments details of such agencies to be published on the The Company Website ;
"Approved CUSC Modification"	as defined in Paragraph 8.23.7;
"Approved CUSC Modification Fast Track Proposal"	as defined in Paragraph 8.29.7, provided that no objection is received pursuant to Paragraph 8.29.12;
"Approved CUSC Modification Self-Governance Proposal"	as defined in Paragraph 8.25.10;
"Applicable Balancing Services Volume Data"	has the meaning given in the Balancing and Settlement Code .
"Approved Credit Rating"	a long term debt rating of not less than BB- by Standard and Poor's Corporation or a rating not less than Ba3 by Moody's Investor Services, or a short term rating which correlates to those long term ratings, or an equivalent rating from any other reputable credit agency approved by The Company ; or such other lower rating as may be reasonably approved by The Company from time to time
"Associated DNO Construction Agreement"	a Construction Agreement between The Company and a User in the category of a Distribution System directly connected to the National Electricity Transmission System in respect of works required on the National Electricity Transmission System as a consequence of the connection of Distributed Generation to the Distribution System ;
"Associated Export BM Unit"	an Export BM Unit where: <ul style="list-style-type: none"> (i) that Export BM Unit and an Import BM Unit are comprised in the User's Equipment are both registered as being associated with each other by being listed in Appendix C of the same Bilateral Connection Agreement; and <p>the Import BM Unit is Deenergised and as a direct consequence of the Deenergisation of the Import BM Unit the Export BM Unit is also Deenergised;</p>
"Attributable Works"	those components of the Construction Works which are required (a) to connect a Power Station or Interconnector which is to be connected at a Connection Site to the nearest suitable MITS

Node; or (b) in respect of an **Embedded Power Station** from the relevant **Grid Supply Point** to the nearest suitable **MITS Node** (and in any case above where the **Construction Works** include a **Transmission** substation that once constructed will become the **MITS Node**, the **Attributable Works** will include such **Transmission** substation) and which in relation to a particular **User** are as specified in its **Construction Agreement**;

“Attributable Cancellation Charge”	Works	the component of the Cancellation Charge which applies on and after the Trigger Date and prior to the Charging Date as more particularly described in Part Two of the User Commitment Methodology ;
“Attributable Cost”	Works Capital	means the fees, expenses and costs of whatever nature reasonably and properly incurred or due in respect of each component within the Attributable Works ;
"Authorised Recipient"		in relation to any Protected Information , means any Business Person who, before the Protected Information had been divulged to him by The Company or any Subsidiary of The Company , had been informed of the nature and effect of Paragraph 6.15.1 and who requires access to such Protected Information for the proper performance of his duties as a Business Person in the course of Permitted Activities ;
"Authority"		the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the Act or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;
"Available LDTEC"		is the level of MW for an LDTEC Week as notified by The Company to a User in (in the case of the first seven LDTEC Weeks) the LDTEC Indicative Block Offer and for subsequent LDTEC Weeks in an LDTEC Availability Notification ;
"Back Stop Date"		in relation to an item of Derogated Plant , the date by which it is to attain its Required Standard , as specified in or pursuant to the relevant Derogation ;
"Balancing and Settlement Code" or "BSC"		as defined in the Transmission Licence ;
"Balancing Code" or "BC"		as defined in the Grid Code ;
"Balancing Mechanism"		as defined in the Transmission Licence ;
"Balancing Services"		as defined in the Transmission Licence ;
"Balancing Services Activity"		as defined in the Transmission Licence ;
"Balancing Services"		an agreement between The Company and a User or other person governing the provision of and payment for one or more Balancing

Agreement"	Services;
"Balancing Services Use of System Charges"	the element of Use of System Charges payable in respect of the Balancing Services Activity ;
"Balancing Services Use of System Charges Forecast Information"	The Company's estimate of the average expected Balancing Services Use of System Charges for each month in the Current Financial Year and each month of the following Financial Year .
"Balancing Services Use of System Reconciliation Statement"	as defined in Paragraph 3.15.1;
"Bank Account"	<p>a bank account in the name of The Company at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by The Company to the User in which deposits of principal sums from the User shall be ascertainable, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by The Company against delivery of a Notice of Drawing for the amount demanded therein and mandated for the transfer of any interest accrued to the Bank Account to such account to:</p> <p>a) an associated bank account in the name of The Company in which the interest accruing in respect of the principal sums deposited by the User shall be ascertainable; or</p> <p>b) such bank account as the User may specify;</p>
"Base Rate"	in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding Business Day ;
"Base Value at Risk"	the sum of HH Base Value at Risk and the NHH Base Value at Risk ;
"BELLA Application"	an application for a BELLA in the form or substantially in the form set out in Exhibit Q;
"BELLA Offer"	an offer for a BELLA in the form or substantially the form set out in Exhibit R including any revision or extension of such offer;
"Bi-annual Estimate"	an estimate pursuant to Paragraph 2.21.2 of all payments to be made or which may be required to be made by the User in any relevant period, such estimate to be substantially in the form set out in Exhibit L to the CUSC ;
"Bid"	as defined in the Balancing and Settlement Code ;

"Bid-Offer Acceptance"	as defined in the Balancing and Settlement Code ;
"Bid-Offer Volume"	as defined in the Balancing and Settlement Code ;
"Bilateral Agreement"	in relation to a User , a Bilateral Connection Agreement or a Bilateral Embedded Generation Agreement , or a BELLA between The Company and the User ;
"Bilateral Connection Agreement"	an agreement entered into pursuant to Paragraph 1.3.1 a form of which is set out in Exhibit 1 to Schedule 2 ;
"Bilateral Embedded Generation Agreement"	an agreement entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 2 to Schedule 2 ;
"Bilateral Embedded Licence exemptable Large power station Agreement" or "BELLA"	an agreement in respect of an Embedded Exemptable Large Power Station entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 5 to Schedule 2 ;
"Bilateral Insurance Policy"	a policy of insurance taken out by the User with a company in the business of providing insurance who meets the Requirements for the benefit of The Company and upon which The Company can claim if the circumstances set out in CUSC Paragraph 5.3.1(b) (i) to (v) arise in respect of such User and which shall provide security for the Agreed Value . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Block LDTEC"	is at any given time the lower of the MW figure in the LDTEC Profile or Adjusted LDTEC Profile for an LDTEC Period ;
"BM Unit"	as defined in the Balancing and Settlement Code ;
"BM Unit Identifiers"	the identifiers (as defined in the Balancing and Settlement Code) of the BM Units ;
"BM Unit Metered Volume"	as defined in the Balancing and Settlement Code ;
"Boundary Point Metering System"	as defined in the Balancing and Settlement Code ;
"British Grid Systems Agreement"	the agreement made on 30 March 1990 of that name between The Company , Scottish Hydro Electric plc, and Scottish Power plc;
"BSC Agent"	as defined in the Balancing and Settlement Code ;

"BSC Framework Agreement"		as defined in the Transmission Licence ;
"BSC Panel"		the Panel as defined in the Balancing and Settlement Code ;
"BSC Party"		a person who is for the time being bound by the Balancing and Settlement Code by virtue of being a party to the BSC Framework Agreement ;
"Business Day"		any week-day other than a Saturday on which banks are open for domestic business in the City of London;
"Business Person"		any person who is a Main Business Person or a Corporate Functions Person and "Business Personnel" shall be construed accordingly;
"Cancellation Charge"		the charge payable by certain Users in the event of termination of a Bilateral Connection Agreement or Bilateral Embedded Generation Agreement or Construction Agreement or a reduction in Transmission Entry Capacity or a reduction in Interconnector User Commitment Capacity or a reduction in Developer Capacity as calculated in accordance with the User Commitment Methodology ;
"Cancellation Charge Profile"		the profile as applied to the Fixed Attributable Works Cancellation Charge and Wider Cancellation Charge in accordance with Part Two of the User Commitment Methodology ;
"Cancellation Charge Secured Amount"		the amount to be secured by a User from the start of and during a Security Period as such amount is applied and calculated in accordance with Part Three of the User Commitment Methodology ;
"Cancellation Charge Secured Amount Statement"		the statement issued by The Company to a User in accordance with Part Two of the User Commitment Methodology showing the Cancellation Charge Secured Amount for a given Security Period such statement to be in substantially the form set out in Exhibit MM2 to the CUSC ;
"Cancellation Shortfall"	Charge	the difference between (a) the Cancellation Charge Secured Amount (or such higher sum as paid by the Developer to the User in respect of the Cancellation Charge) and (b) the Cancellation Charge payable by the User ;
"Cancellation Statement"	Charge	the statement issued by The Company to a User in accordance with Part Two of the User Commitment Methodology such statement to be in substantially the form set out in Exhibit MM1 to the CUSC ;
"CAP 179 Implementation Date"		shall mean the date specified as the Implementation Date in the direction issued by the Authority approving CUSC Amendment Proposal 179 (Prevention of Timing Out of Authority Decisions on Amendment Proposals);

"Capability Payment"	as defined in Paragraph 4.2A.4(a)(i);
"Capacity Market Documents"	The Capacity Market Rules , The Electricity Capacity Regulations 2014 and any other Regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;
"Capacity Market Rules"	The rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014;
"Category 1 Intertripping Scheme"	as defined in the Grid Code ;
"Category 2 Intertripping Scheme"	as defined in the Grid Code ;
"Category 3 Intertripping Scheme"	as defined in the Grid Code ;
"Category 4 Intertripping Scheme"	as defined in the Grid Code ;
"CCGT Unit"	a Generating Unit within a CCGT Module ;
"Central Volume Allocation"	as defined in the Balancing and Settlement Code ;
"CfD Administrative Parties"	The Secretary of State, a CfD Counterparty and any CfD Settlement Services Provider ;
"CfD Counterparty"	a person designated as a "CfD counterparty" under section 7(1) of the Energy Act 2013;
"CfD Documents"	the AF Rules , The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time;
"CfD Settlement Services Provider"	means any person: <ul style="list-style-type: none"> (i) appointed for the time being and from time to time by a CfD Counterparty; or (ii) who is designated by virtue of Section C1.2.1B of the Balancing and Settlement Code, in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities);
"Charging Date"	as defined in the Construction Agreement ;

"Charging Dispute"	as defined in Paragraph 7.2.1;
"Charging Methodologies"	(a) the Use of System Charging Methodology ; and/or (b) the Connection Charging Methodology ;
"Charging Statements"	the Statement of the Connection Charging Methodology , the Statement of the Use of System Charging Methodology , and the Statement of Use of System Charges ;
"Circuit Breaker"	a mechanical switching device, capable of making, carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specified abnormal circuit conditions, such as those of short circuit;
"Citizens Advice"	Means the National Association of Citizens Advice Bureaux
"Citizens Advice Scotland"	Means the Scottish Association of Citizens Advice Bureaux
"CM Administrative Parties"	the Secretary of State , the CM Settlement Body , and any CM Settlement Services Provider ;
<u>"CMP285 Implementation Date"</u>	<u>the date specified as the Implementation Date in the direction issued by the Authority approving CUSC Modification Proposal 285 (CUSC Governance Reform – Levelling the Playing Field);</u>
"CMRS"	as defined in the Balancing and Settlement Code ;
"CM Settlement Body"	the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the Electricity Capacity Regulations 2014;
"CM Settlement Services Provider"	any person with whom the CM Settlement Body has entered into a contract to provide services to it in relation to the performance of its functions under the Capacity Market Documents ;
"Code Administration Code of Practice"	the code of practice approved by the Authority and: (a) developed and maintained by the code administrators in existence from time to time; (b) amended subject to the Authority's approval from time to time; and (c) re-published from time to time;
"Code Administrator"	The Company carrying out the role of Code Administrator pursuant to Section 8;
"Code of Practice"	as defined in the Balancing and Settlement Code ;
"Combined Cycle Gas Turbine"	a collection of Generating Units (registered under the Grid Code

Module" or "CCGT Module"	PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam system of the associated Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines to enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;
"Commercial Ancillary Services"	as defined in the Grid Code ;
"Commercial Boundary"	(unless otherwise defined in the relevant Mandatory Services Agreements), the commercial boundary between either The Company or a Public Distribution System Operator (as the case may be) and the User at the higher voltage terminal of the generator step-up transformer;
"Commercial Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Agreed Ancillary Services ;
"Commissioned"	in respect of Plant and Apparatus commissioned before the Transfer Date means Plant and Apparatus recognised as having been commissioned according to the commissioning procedures current at the time of commissioning and in respect of Plant and Apparatus commissioned after the Transfer Date means Plant and/or Apparatus certified by the Independent Engineer as having been commissioned in accordance with the relevant Commissioning Programme ;
"Commissioning Programme"	in relation to a particular user, as defined in its Construction Agreement ;
"Commissioning Programme Commencement Date"	as defined in relation to a particular User in the Construction Agreement ;
"Competent Authority"	the Secretary of State , the Authority and any local or national agency, authority, department, inspectorate, minister (including Scottish ministers), ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community;
"Completion Date"	in relation to a particular User , as defined in its Construction Agreement ;
"Composite Demand Charges"	in respect of a User its Demand related Transmission Network Use of System Charges for each Transmission Network Use of System Demand Zone ;

"Confidential Information"	all data and other information supplied to a User by another CUSC Party under the provisions of the CUSC or any Bilateral Agreement, Construction Agreement or Mandatory Services Agreement ;
"Connect and Manage Arrangements"	the arrangements whereby pursuant to Standard Condition C26 of the Transmission Licence and Standard Condition D16 of a Relevant Transmission Licensee's transmission licence connection to and or use of the National Electricity Transmission System is permitted by virtue of a Connect and Manage Derogation on completion of the Enabling Works but prior to completion of the Wider Transmission Reinforcement Works ;
"Connect and Manage Derogation"	means the temporary derogation from the NETS SQSS available to The Company pursuant to Standard Condition C17 of the Transmission Licence and/or a Relevant Transmission Licensee pursuant to Standard Condition D3 of its transmission licence;
"Connect and Manage Derogation Criteria"	the criteria detailed as such in CUSC Section 13.2.4;
"Connect and Manage Derogation Report"	the report required to be prepared by The Company and/or a Relevant Transmission Licensee in respect of a Connect and Manage Derogation ;
"Connect and Manage Implementation Date"	means the date which the Secretary of State determines shall be the connect and manage implementation date;
"Connect and Manage Power Station"	means a Power Station which is directly connected to the National Electricity Transmission System or which is Distributed Generation ;
"Connect and Manage Transition Period"	means the period ending 6 months after the Connect and Manage Implementation Date ;
"Connected Planning Data"	in relation to a particular user, as defined in its Construction Agreement ;
"Connection"	a direct connection to the National Electricity Transmission System by a User ;
"Connection Application"	an application for a New Connection Site in the form or substantially in the form set out in Exhibit B to the CUSC ;
"Connection Boundary"	shall be the boundary defined by Paragraph 14.2.6 of the Statement of the Connection Charging Methodology;
"Connection Charges"	charges made or levied or to be made or levied for the carrying out (whether before or after the date on which the Transmission Licence comes into force) of works and provision and installation of electrical plant, electric lines and ancillary meters in constructing

	entry and exit points on the National Electricity Transmission System , together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as Use of System Charges , all as more fully described in the Transmission Licence , whether or not such charges are annualised, including all charges provided for in the statement of Connection Charging Methodology (such as Termination Amounts and One-off Charges);
"Connection Charging Methodology"	as defined in the Transmission Licence and set out in Section 14;
"Connection Conditions" or "CC"	that portion of the Grid Code which is identified as the Connection Conditions ;
"Connection Entry Capacity"	the figure specified as such for the Connection Site and each Generating Units as set out in Appendix C of the relevant Bilateral Connection Agreement ;
"Connection Offer"	an offer or (where appropriate) the offers for a New Connection Site in the form or substantially in the form set out in Exhibit C including any revision or extension of such offer or offers;
"Connection Site"	each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and Transmission Connection Assets required to connect that User to the National Electricity Transmission System are situated (or, in the case of OTSDUW Build , each location that will become such from the OTSUA Transfer Time and, until the OTSUA Transfer Time , is the location where the User's Equipment connects to the OTSUA). If two or more Users own or operate Plant and Apparatus which is connected at any particular location that location shall constitute two (or the appropriate number of) Connection Sites ;
"Connection Site Demand Capability"	the capability of a Connection Site to take power to the maximum level forecast by the User from time to time and forming part of the Forecast Data supplied to The Company pursuant to the Grid Code together with such margin as The Company shall in its reasonable opinion consider necessary having regard to The Company's duties under its Transmission Licence ;
"Consents"	in relation to a particular User , as defined in its Construction Agreement ;
	In relation to any Works:-
	a) all such planning and other statutory consents; and
	b) all wayleaves, easements, rights over or interests in land or any other consent; or for commencement and carrying on of any activity proposed to be undertaken at or from such Works when

	completed
	c) permission of any kind as shall be necessary for the construction of the Works;
"Construction Agreement"	an agreement entered into pursuant to Paragraph 1.3.2;
"Construction Programme"	in relation to a particular User , as defined in its Construction Agreement ;
"Construction Works"	In relation to a particular User , as defined in its Construction Agreement ;
"Consumer Representative"	Means the person appointed by the Citizens Advice or the Citizens Advice Scotland (or any successor body) representing all categories of customers, appointed in accordance with Paragraph 8.4.2(b)
"Consumption"	as defined in the Balancing and Settlement Code in relation to a Consumption BM Unit;
"Control Telephony"	as defined in the Grid Code ;
"Contract Test"	a test (not being a Reactive Test) described in a Market Agreement ;
"Contract Start Days"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Core Industry Documents"	as defined in the Transmission Licence ;
"Core Industry Document Owner"	in relation to a Core Industry Document , the body(ies) or entity(ies) responsible for the management and operation of procedures for making changes to such document;
"Corporate Functions Person"	any person who is: <ul style="list-style-type: none"> (a) a director of The Company; or (b) an employee of The Company or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the Main Business; or (c) engaged as an agent of or adviser to or performs work in relation to or services for the Main Business;
"Cost Statement"	as defined in Paragraph 2.14.3;
"Credit Assessment Score"	a score between zero and ten given by an Approved Agency in the Independent Credit Assessment ;

"Credit Assessment Sum"	the proportion of the Unsecured Credit Cover extended by The Company to a User who does not meet the Approved Credit Rating and calculated in accordance with Paragraph 3.26.6;
"Credit Rating"	the credit requirements set by The Company from time to time in relation to Termination Amounts ;
"CUSC"	this Connection and Use of System Code ;
"CUSC Framework Agreement"	as defined in the Transmission Licence ;
"CUSC Implementation Date"	00.01 on the 18 September 2001;
"CUSC Modification Fast Track Proposal"	a proposal to modify the CUSC which is raised pursuant to Paragraph 8.29 and has not yet been approved or rejected by the CUSC Modifications Panel ;
"CUSC Modification Fast Track Report"	a report prepared pursuant to Paragraph 8.29;
"CUSC Modification Procedures"	the procedures for the modification of the CUSC (including the implementation of Approved CUSC Modifications) as set out in Section 8;
"CUSC Modification Process"	the part of the CUSC Modification Procedures relating to consideration by the CUSC Modifications Panel and Workgroups , consultation by the Workgroups and The Company and preparation of a CUSC Modification Report by the CUSC Modifications Panel ;
"CUSC Modification Proposal"	a proposal to modify the CUSC which is not rejected pursuant to Paragraphs 8.16.5 or 8.16.6 and has not yet been implemented;
"CUSC Modification Register"	as defined in Paragraph 8.13.1;
"CUSC Modification Report"	a report prepared pursuant to Paragraph 8.23;
"CUSC Modification Self-Governance Report"	a report prepared pursuant to Paragraph 8.25;
"CUSC Modifications Panel"	the body established and maintained pursuant to Paragraph 8.3;
"CUSC Modifications Panel Recommendation Vote"	the vote of Panel Members undertaken by the Panel Chairman in accordance with Paragraph 8.23.4 as to whether in their view they believe each CUSC Modification Proposal , or Workgroup Alternative CUSC Modification would better facilitate achievement of the Applicable CUSC Objective(s) and so should be made;
"CUSC Modifications Panel Self-Governance Vote"	The vote of Panel Members undertaken by the Panel Chairman in accordance with Paragraph 8.25.9 as to whether they believe each

	CUSC Modification Proposal , as compared with the then existing provisions of the CUSC and any Workgroup Alternative CUSC Modification set out in the CUSC Modification Self-Governance Report , would better facilitate achievement of the Applicable CUSC Objective(s) ;
"CUSC Party"	as defined in the Transmission Licence ;
"Customer"	a person to whom electrical power is provided (whether or not he is the provider of such electrical power) other than power to meet Station Demand of that person;
"Customer Services Team"	the customer services team identified within The Company which manages the commercial interface with parties connected to the transmission network, as identified on the Website ;
"DC Converter"	As defined in the Grid Code ;
"Data Registration Code" or "DRC"	the portion of the Grid Code which is identified as the Data Registration Code ;
"DCLF"	Direct Current Load Flow;
"Deemed HH Forecasting Performance"	the sum calculated in accordance with Section 3, Appendix 2 Paragraph 3 as it may be revised in accordance with paragraph 3.22.7.
"Deemed NHH Forecasting Performance"	the sum calculated in accordance with Section 3, Appendix 2 Paragraph 6 as it may be revised pursuant to Paragraph 3.22.8.
"Deenergisation" or "Deenergise(d)"	the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow to or from the relevant System through the User's Equipment ;
"Defaulting Party"	as defined in Paragraph 4.3.2.11;
"Defendant Party"	as defined in Paragraph 7.5.1;
"Delivering"	as defined in the Balancing and Settlement Code ;
"De-Load"	the difference (expressed in MW) between the Maximum Export Limit and the Final Physical Notification Data as adjusted by the Acceptance Volume in respect of a Bid-Offer Acceptance (if any), and "De-Loaded" shall be construed accordingly;
"Demand"	the demand of MW and Mvar of electricity (i.e. both Active Power and Reactive Power), unless otherwise stated;
"Demand Forecast"	a User's forecast of its Demand submitted to The Company in accordance with paragraphs 3.10, 3.11 and 3.12;

“Depreciation Period”	in relation to a Transmission Connection Asset for a particular User , the period which commences on the asset’s initial effective charging date, and which expires after the appropriate duration, which unless otherwise agreed upon connection is 40 years excluding FMS metering electronics that are agreed between the User and The Company ;
"Derogation"	means (a) a direction issued by the Authority relieving a CUSC Party from the obligation under its Licence to comply with such parts of the Grid Code or any Distribution Code or in the case of The Company the Transmission Licence as may be specified in such direction and/or (b) a Connect and Manage Derogation as the context requires and “Derogated” shall be construed accordingly;
"Derogated Plant"	Plant or Apparatus which is the subject of a Derogation ;
"Design Variation"	is a connection design (which provides for connection to the National Electricity Transmission System) which fails to satisfy the relevant deterministic criteria detailed for an Onshore Connection in paragraphs 2.5 to 2.13 and for an Offshore Connection in 7.7 to 7.19, as appropriate, of the NETS SQSS ;
“Designated Sum”	means such sum as shall be directed by the Authority as soon as practicable after the determination of an approved Use of System Charging Methodology ;
“Designated sum”	As defined in Standard Condition C13 of the Transmission Licence
"De-synchronisation"	the act of taking a BM Unit off a System to which it has been Synchronised , by opening any connecting circuit breaker, and " De-synchronised " shall be construed accordingly;
"Detailed Planning Data"	detailed additional data which The Company requires under the PC in support of Standard Planning Data;
“Developer Capacity”	the MW figure as specified as such by a User in a BELLA or in a Construction Agreement entered into between The Company and a User in the category of a Distribution System directly connected to the National Electricity Transmission System as a consequence of a Request for a Statement of Works ;
"Directive"	includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority , (but only, if not having the force of law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force;
“Directly-Connected User” or “Directly-Connected	A large, usually industrial, consumer of electricity who is directly

Customer”	connected to the National Electricity Transmission System ;
"Disconnect" or "Disconnection"	<p>without prejudice to the interpretation of the terms "Disconnect" or "Disconnection" to Users acting in capacities other than those detailed, the following definitions shall apply:</p> <p>(a) for Users acting in their capacity as Generators with Embedded Large Power Stations or Embedded Medium Power Stations, passing power on to a Distribution System through a connection to a Distribution System which had not been commissioned as at the Transfer Date, means permanent physical disconnection of the User's Equipment at the site of connection to the Distribution System;</p> <p>(b) for Users who are Trading Parties (as defined in the Balancing and Settlement Code) acting in their capacity as responsible for Small Power Stations which are Embedded, means, permanent physical disconnection of the User's Equipment or Equipment for which the User is responsible (as defined in Section K of the Balancing and Settlement Code) at the site of connection to the Distribution System;</p> <p>(c) for Users acting in a capacity other than those detailed in (a) or (b), means permanent physical disconnection of a User's Equipment at any given Connection Site which permits removal thereof from the Connection Site or removal of all Transmission Connection Assets there from (as the case may be);</p>
"Dispute Resolution Procedure"	the procedures set out in Section 7;
"Dispute Statement"	as defined in Paragraph 3.15.4;
“Distributed Generation”	<p>means for the purposes of the Connect and Manage Arrangements, Section 6 and Section 15 of the CUSC:</p> <p>(a) an Embedded Power Station which is the subject of a Bilateral Embedded Generation Agreement;</p> <p>(b) an Embedded Power Station which is the subject of a Bilateral Embedded Licence Exemptable Large Power Station Agreement;</p> <p>(c) a Relevant Embedded Medium Power Station;</p> <p>(d) a Relevant Embedded Small Power Station.</p>
"Distribution Agreement"	an agreement entered into by a User with the owner/operator of the Distribution System for the connection of the User's Equipment

	(or equipment for which the User is responsible (as defined in Section K of the Balancing and Settlement Code) to and use of such Distribution System ;
"Distribution Code(s)"	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Licence(s) as from time to time revised in accordance with those Licences ;
"Distribution Connection Agreement"	an agreement between a User who owns or operates a Distribution System and an owner of a Power Station for connection to that User's Distribution System ;
"Distribution Interconnector"	as defined in the Balancing and Settlement Code ;
"Distribution Interconnector Owner"	the Owner of a Distribution Interconnector or of that part of a Distribution Interconnector directly connected to a Distribution System ;
"Distribution Licence"	a licence issued under section 6(1)(c) of the Act ;
"Distribution System"	the system consisting (wholly or mainly) of electric lines owned or operated by any Authorised Electricity Operator and used for the distribution of electricity from Grid Supply Points or generation sets or other entry points to the point of delivery to Customers or Authorised Electricity Operators , and includes any Remote Transmission Assets operated by such Authorised Electricity Operator and any electrical plant and meters owned or operated by the Authorised Electricity Operator in connection with the distribution of electricity, but shall not include any part of the National Electricity Transmission System ;
"Distribution Voltage"	a voltage of 132kV or below in England & Wales. A voltage of below 132kV in Scotland. Generally taken to be voltages lower than those defined as transmission voltages;
<u>"Demand Voting Group"</u>	<u>all User(s) in a Voting Group who fall within any one or more of the following categories:</u> <u>(a) Directly Connected Users with a Bilateral Agreement;</u> <u>and</u> <u>(b) a User with a Bilateral Agreement in respect of a Distribution System;</u>
"Dormant CUSC Party"	a CUSC Party which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the CUSC , as provided for in Section 5;

Downstream Party

a third party connected to a **Non-Embedded Customer's System**

"Earthing"	as defined in the Grid Code ;
"EdF Documents"	as defined in the Balancing and Settlement Code ;
"Election Timetable"	as defined in Paragraph 8A.1.2.1;
"Election Year"	as defined in Paragraph 8A.1.1.2;
"Electricity Arbitration Association"	as the phrase ' Electricity Supply Industry Arbitration Association ' is defined in the Grid Code ;
"Electricity Regulation"	means Regulation 2009/714/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation 2003/1228/EC as amended from time to time;
"Eligible Small Generator"	defined as an eligible generator in Standard Condition 13 of the Transmission Licence;
"Embedded"	<p>a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected;</p> <p>in the context of the Charging Methodologies it shall mean a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of a Transmission Licensee (but with no other connection to the National Electricity Transmission System);</p>
"Embedded Generator MW Register"	the Register set up by The Company pursuant to Paragraph 6.35;

"Emergency Deenergisation Instruction"

an instruction issued by **The Company** to a **User** to either:

- (a) **Deenergise** that **User's Equipment**, or
- (b) request the owner of the **Distribution System to which the User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Deenergise** that **User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code** or ;
- (c) declare its **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User's Equipment** to zero and to maintain it at that level during the **Interruption Period**,

where in **The Company's** reasonable opinion:

- (i) the condition or manner of operation of any **Transmission Plant** and/or **Apparatus** is such that it may cause damage or injury to any person or to the **National Electricity Transmission System**; and
- (ii) if the **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not **Deenergised** and/or the **Maximum Export Limit** of such **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not reduced to zero then it is likely that the **Transmission Plant** and/or **Apparatus** would automatically trip; and
- (iii) if such **Transmission Plant** and/or **Apparatus** had tripped automatically, then
 - (I) the **BM Unit** comprised in such **User's Equipment** (other than an **Interconnector Owner**); or
 - (II) an **Interconnector** of an **Affected User** who is an **Interconnector Owner**,

would, solely as a result of **Deenergisation** of **Plant** and **Apparatus** forming part of the **National Electricity Transmission System**, have been **Deenergised**;

"Emergency Instruction"

as defined in the **Grid Code**;

"EMR Documents"

means The Energy Act 2013, The Electricity Capacity Regulations 2014, the **Capacity Market Rules**, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts

for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the **AF Rules** and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time;

“EMR Functions”	Has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013;
“Enabling Works”	those elements of the Transmission Reinforcement Works identified as such in accordance with CUSC Section 13 and which in relation to a particular User are as specified and by its acceptance of the Offer or Modification Offer , agreed by the User in the relevant Construction Agreement ;
"End Date"	shall mean 5.00pm on the date 12 months from (and not including) the Security Amendment -Implementation Date ;
"Energisation" or "Energise(d)"	the movement of any isolator, breaker or switch or the insertion of any fuse so as to enable Energy to flow from and to the relevant System through the User's Equipment (and in the case of OTSDUW Build , the OTSUA prior to the OTSUA Transfer Time);
"Energy"	the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the power, measured in units of watt-hours or standard multiples thereof i.e. 1000 Wh = 1KWh 1000 KWh = 1MWh 1000 MWh = 1GWh 1000 GWh = 1TWh;
"Energy Metering Equipment"	as the phrase " Metering Equipment " is defined in the Balancing and Settlement Code ;
"Energy Metering System"	as the phrase " Metering System " is defined in the Balancing and Settlement Code ;
"Enforceable"	The Company (acting reasonably) is satisfied that the security is legally enforceable and in this respect the User shall obtain such legal opinion at its expense as The Company (acting reasonably shall require);
“Engineering Charge”	as set out in the Statement of Use of System Charges from time to time;

"Enhanced Reactive Power Service"	as defined in Paragraph 1.2 of Schedule 3, Part I;
"Enhanced Rate"	in respect of any day the rate per annum which is 4% per annum above the Base Rate ;
"Escrow Account"	<p>a bank account in the name of The Company at such branch of Barclays Bank PLC or such branch of any other bank, in the City of London as is notified by The Company to the User in which deposits of principal sums from the User shall be ascertainable, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of any sums solely by The Company and mandated for the transfer of any interest accrued to such account to:</p> <p>a) an associated bank account in the name of The Company in which the interest accruing in respect of the principal sums deposited by the User shall be ascertainable; or</p> <p>b) such bank account as the User may specify;</p>
"Estimated Demand"	the forecast Demand (Active Power) data filed with The Company pursuant to the Charging Statements ;
"ET Interface Operator"	the operator of the Onshore Distribution System to which an ET Offshore Transmission System connects;
"ET Interface Point"	the electrical point of connection between an Offshore Transmission System and an Onshore Distribution System and in relation to a particular User as defined in its Bilateral Connection Agreement ;
"ET Offshore Transmission System"	an Offshore Transmission System connected at an ET Interface Point ;
"ET Restrictions on Availability"	is in the context of an ET Offshore Transmission System the reduction in capability as set out in the relevant Notification of ET Restrictions on Availability ;
"ET Use of System Charges"	the element of Use of System Charges consisting of charges payable by The Company to the ET Interface Operator in respect of the connection to a Distribution System by an Offshore Transmission System and use of such Distribution System by means of such Offshore Transmission System ;
"European Commission"	means the institution of that name established under The Treaty on European Union as amended from time to time;

"Event"	as defined in the Grid Code ;
"Event of Default"	any of the events set out in Section 5 as constituting an event of default;
"Exchange Rate"	the Transmission Entry Capacity available to a specific party as a direct result of a specific reduction in the Transmission Entry Capacity available to another party.
"Exchange Rate Request"	a joint request from a User and another User to calculate the Exchange Rate that would apply were they to agree to a TEC Trade ;
"Excitation System"	the equipment providing the field current of a machine, including all regulating and control elements as well as field discharge or suppression equipment and protective devices;
"Exemptable"	where the person generating electricity at the relevant Power Station is, or would be (if it generated electricity at no other Power Station and/or did not hold a Generation Licence) exempt from the requirement to hold a Generation Licence under the Act ;
"Exempt Export BM Unit"	as defined in the Balancing and Settlement Code ;
"Exempt Generator"	any generator who, under the terms of the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001, is not obliged to hold a generation licence;
"Exemptible Generation"	generating plant where the party generating electricity at that generating plant is, or would (if it generated electricity at no other generating plant and/or did not hold a generation licence) be, exempt from the requirement to hold a generation licence (including Scottish generation that export between 50 and 100MW that was connected on or before 30 September 2000);
"Exempt Power Station"	a Power Station where the person generating electricity at that Power Station is exempt from the requirement to hold a Generation Licence under the Act ;
"Existing ICM Construction Agreement"	a Construction Agreement entered into between The Company and a User prior to the Connect and Manage Implementation Date and which is on the basis of the Interim Connect and Manage Arrangements ;
"Existing Offshore Agreement"	any Bilateral Connection Agreement and Construction Agreement entered into under the OTSDUW Arrangements and where the User is undertaking OTSDUW Build on or before the OTSUA Commissioning Period Effective Date ;

"Existing Offshore Generator"	as defined in the Transmission Licence ;
"Existing Security Cover"	the Security Cover held by The Company in respect of a User pursuant to CUSC Section 3 Part III immediately prior to the Security Amendment Implementation Date ;
"Export"	as defined in the Balancing and Settlement Code ;
"Export BM Unit"	a BM Unit registered in accordance with Section K of the BSC in respect of Export ;
"External Interconnection"	as defined in the Grid Code ;
"Externally Interconnected System Operator"	as defined in the Grid Code ;
"Fast Track Criteria"	a CUSC Modification Proposal that, if implemented, (a) would meet the Self-Governance Criteria ; and (b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to: <ul style="list-style-type: none"> (i) updating names or addresses listed in the CUSC; (ii) correcting any minor typographical errors; (iii) correcting formatting and consistency errors, such as paragraph numbering; or (iv) updating out of date references to other documents or paragraphs .
"Final Adjustments Statement"	as defined in Paragraph 4.3.2.6(b);
"Final Demand Reconciliation Statement"	as defined in Paragraph 3.12.7(a);
"Final Monthly Statement"	as defined in Paragraph 4.3.2.6;
"Final Physical Notification Data"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Settlement Run"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Volume Allocation Run"	as defined in the Balancing and Settlement Code ;
"Final Statement"	as defined in Paragraph 4.3.2.6(a);

"Final Sums"	in relation to a particular User , as defined in its Construction Agreement ;
"Financial Year"	the period of 12 months ending on 31st March in each calendar year;
"First Offer"	as defined in Paragraph 6.10.4;
"First Security Period"	from the date of Construction Agreement to the 31 March or 30 September, whichever is the first to occur;
"First User"	as defined in Paragraph 6.10.3;
"Fixed Attributable Cancellation Charge"	Works where the Attributable Works Cancellation Charge is calculated in accordance with Paragraph 3.5.1 of Part TWO of the User Commitment Methodology ;
"Fixed Proposed Implementation Date"	the proposed date(s) for the implementation of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification such date to be a specific date by reference to an assumed date by which a direction from the Authority approving the CUSC Modification Proposal or Workgroup Alternative CUSC Modification is required in order for the CUSC Modification Proposal or any Workgroup Alternative CUSC Modification , if it were approved, to be implemented by the proposed date;
"FMS Date"	1st April 1993;
"Force Majeure"	in relation to any CUSC Party any event or circumstance which is beyond the reasonable control of such CUSC Party and which results in or causes the failure of that CUSC Party to perform any of its obligations under the CUSC including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, fault or failure of Plant and Apparatus (which could not have been prevented by Good Industry Practice), governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under section 32, 33, 34 and 35 of the Act) provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that CUSC Party and provided, for the avoidance of doubt, that weather conditions which are reasonably to be expected at the location of the event or circumstance are also excluded as not being beyond the reasonable control of that CUSC Party ;
"Forecasting Performance"	the sum of HH Forecasting Performance Related VAR and NHH

Related VAR "	Forecasting Performance Related VAR;
"Frequency"	the number of alternating current cycles per second (expressed in Hertz) at which a System is running;
"Frequency Deviation"	a positive or negative deviation from Target Frequency ;
"Frequency Response"	an automatic response by a BM Unit or CCGT Unit to a change in Frequency with the aim of containing System Frequency within the limits provided for under the Grid Code ;
"Frequency Sensitive Mode"	as defined in the Grid Code ;
"Fuel Security Code"	the document of that title designated as such by the Secretary of State as from time to time amended;
"Full TEC Reduction Notice Period"	means one Financial Year and 5 Business Days prior to the beginning of the Financial Year from which the decrease in Transmission Entry Capacity or Disconnection (as appropriate) is to take effect;
"Gas Insulated Switchgear" or "GIS"	SF6 switchgear where the substation busbars (and the interfacing switchgear between those busbars and any connecting circuits) are of an integrated metal enclosed, gas insulated construction;
"GB Transmission System" or "GBTS"	for the purposes of Section 12 means the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"Gas Turbine Unit"	a Generating Unit driven by a gas turbine (for instance an aero-engine);
"Generating Plant"	a Large Power Station ;
"Generating Unit"	unless otherwise provided in the Grid Code any Apparatus which produces electricity;
"Generation Business"	the authorised business of The Company or any Affiliate or Related Undertaking in the generation of electricity or the provision of Balancing Services , in each case from pumped storage and from the Kielder hydro-electric generating station;
"Generation Capacity"	the normal full load capacity of a Generating Unit as declared by the Generator , less the MW consumed by the Generating Unit through the Generating Unit's unit transformer when producing the

	same;
"Generation Licence"	the licence granted to a Generator pursuant to section 6(1)(a) of the Act ;
"Generation Reconciliation Statement"	as defined in Paragraph 3.12.2;
<u>"Generation Voting Group"</u>	<u>all User(s) in a Voting Group who fall within any one or more of the following categories:</u> <ul style="list-style-type: none"> <u>(a) a User with a Bilateral Agreement in respect of a Directly Connected Power Station;</u> <u>(b) a User with a Bilateral Agreement in respect of an Embedded Exemptable Large Power Station; and</u> <u>(c) a User with a Bilateral Agreement in respect of an Embedded Power Station;</u>
"Generator"	a person who generates electricity under licence or exemption under the Act ;
"Genset"	as defined in the Grid Code ;
"GIS Asset Outage"	as defined in the relevant Bilateral connection Agreement ;
"Good Industry Practice"	in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
"Great Britain"	The landmass of England and Wales and Scotland, including internal waters;
"Grid Code"	the Grid Code drawn up pursuant to the Transmission Licence , as from time to time revised in accordance with the Transmission Licence ;
"Grid Supply Point" ("GSP")	a point of delivery from the National Electricity Transmission System to a Distribution System or a Non-Embedded Customer ;
"Gross Asset Value"	the value calculated by The Company in accordance with recognised accounting principles and procedures as published by The Company from time to time;

"Group"	as defined in the Grid Code ;
"GSP Group"	as defined in the Balancing and Settlement Code ;
"HH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 1 of Section 3, Appendix 2;
"HH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.3;
"HH Charges"	that element of Transmission Network Use of System Demand Charges relating to half-hourly metered Demand ;
"HH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed HH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company ;
"High Frequency Response"	as defined in the Grid Code ;
"High Voltage" or "HV"	a voltage exceeding 650 volts;
"Holding Payment"	that component of the payment for Mode A Frequency Response calculated in accordance with Paragraph 4.1.3.9;
"ICRP"	Investment Cost Related Pricing;
"Implementation Date"	is the date and time for implementation of an Approved CUSC Modification as specified in accordance with Paragraph 8.28.3;
"Import"	as defined in the Balancing and Settlement Code ;
"Import BM Unit"	a BM Unit registered in accordance with Section K of the BSC in respect of Import ;
"Income Adjusting Event"	as defined in the Transmission Licence ;
"Indemnified Persons"	as defined in Paragraph 8.12.1;
"Independent Engineer"	in relation to a particular User , as defined in its Construction Agreement ;
"Independent Credit Assessment"	an assessment of the creditworthiness of a User or entity by an Approved Agency as nominated by the User or entity obtained in accordance with Paragraph 3.26.7, 3.26.8 and 3.26.9;
<u>"Independent Member(s)"</u>	<u>persons appointed as such pursuant to Paragraph 8.3.1(b)(vi);</u>
"Independent Security Arrangement"	a guarantee in favour of The Company in a form satisfactory to The Company and which is provided by an entity which meets the Requirements . In addition The Company may accept such a policy from an entity who does not meet the Requirements up to an Agreed Value where The Company agrees or where The

	Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Indicative Annual HH TNUoS charge"	The Company's forecast of the User's total HH Charges relating to a Financial Year ;
"Indicative Annual NHH TNUoS charge"	The Company's forecast of the User's total NHH Charges relating to a Financial Year ;
"Indicative Block LDTEC"	is the Available LDTEC ;
"Indicative Maximum Generation Capability"	has the meaning attributed to it in Paragraph 4.2.3.2;
"Industry Code"	means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Act or under sections 7, 7ZA or 7A of the Gas Act 1986;
"Initial Charge"	as defined in Paragraph 3.16.2;
"Initial Demand Reconciliation Statement"	as defined in Paragraph 3.13.4;
"Initial Volume Allocation Run"	as defined in the Balancing and Settlement Code ;
"Initial Settlement Run"	as defined in the Balancing and Settlement Code ;
"Insolvency Proceedings"	shall mean any action or step taken: <ul style="list-style-type: none"> (a) for the administration, winding up, dissolution or bankruptcy of the Developer; or (b) for the appointment of a receiver or administrative receiver in respect of any of the Developer's assets; or (c) for making a proposal to any of the Developer's creditors with a view to avoiding insolvency; or (d) for the taking of possession by anyone with an interest in any asset of the Developer; or (e) any analogous procedure or step is taken in any jurisdiction in relation to any matter referred to in clause (a) to (d) (inclusive) above;
"Insurance Performance Bond"	a Performance Bond provided by a company in the business of providing insurance which meets the Requirements . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not

	agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Intellectual Property" or "IPRs"	patents, trade marks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same are registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same which may subsist anywhere in the world;
"Interconnected System Operator"	as defined in the Balancing and Settlement Code ;
"Interconnector"	as defined in the Balancing and Settlement Code ;
"Interconnector Adjustment Payments"	means as appropriate the Interconnector Payments and/or Interconnector Cap and Floor Revenue Adjustment ;
"Interconnector Asset Owner"	the owner of an Interconnector ;
"Interconnector Cap and Floor Revenue Adjustment"	has the meaning given to that term in Standard Licence Condition 26 of a licence granted for a specific Interconnector under Section 6(1)(e) of the Act (and in the case that the standard conditions in Section G of that licence are in effect);
"Interconnector Error Administrator"	as defined in the Balancing and Settlement Code ;
"Interconnector Owner"	the owner of an Interconnector , or of that part of an Interconnector , directly connected to the National Electricity Transmission System ;
"Interconnector Payments"	has the meaning given to that term in Special Licence Condition 2 of the licence granted under Section 6(1)(e) of the Act for the Interconnexion France-Angleterre (IFA) Interconnector ;
"Interconnector User"	(a) in relation to an Interconnector connected to the National Electricity Transmission System , as defined in the Balancing and Settlement Code ; and (b) in relation to a Distribution Interconnector , a Lead Party (as defined in the Balancing and Settlement Code) in respect of a single BM Unit where under Section K5 of the Balancing and Settlement Code the BM Unit has been allocated in relation to that Distribution Interconnector or if there is no such allocation, as defined in the Balancing and Settlement

Code;

“Interconnector User Commitment Capacity”

- (a) for **Interconnectors** whose **Connection Site** is below the B11 boundary as set out in the annual Electricity Ten Year Statement, this is the figure for the purposes of **CUSC** Paragraph 9.5 as specified in Appendix C of the **User’s Bilateral Connection Agreement**; and
- (b) for **Interconnectors** whose **Connection Site** is above the B11 boundary as set out in the annual Electricity Ten Year Statement, this is the figure for the purposes of **CUSC** Paragraph 9.4 as specified in Appendix C of the **User’s Bilateral Connection Agreement**;

“Interconnector Voting Group”

all User(s) in a Voting Group who fall within any one or more of the following categories:

(a) Interconnector Owners with a Bilateral Agreement; and

(b) Interconnector Users;

“Interface Agreement”

the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.13 based substantially on the forms set out in Exhibit O to the **CUSC**;

“Interim Connect and Manage Arrangements”

the arrangements in place between 8 May 2009 and the **Connect and Manage Implementation Date** whereby **Offers** were made by **The Company** on the basis that a **Derogation** would be obtained from the **Authority** such that identified **Transmission Reinforcement Works** did not need to be completed prior to connection and/or use of system;

“Interim Operational Notification” or “ION”

as defined in the **Grid Code**;

“Interim Operational Notification Part A” or “ION Part A”

as defined in the **Grid Code**;

“Interim Operational Notification Part B” or “ION Part B”

as defined in the **Grid Code**;

“Interim Panel and Alternate Election process”

As defined in Paragraph 8A.4.3.2

“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**; or
- (iii) solely as a result of an **User Emergency Deenergisation**;
- a) An **Export BM Unit** comprised in the **User's Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**; or
- b) an **Associated Export BM Unit** of an **Affected User** is (other than an **Interconnector Owner**) **Deenergised** from the **National Grid Transmission System**; or
- c) an **Interconnector** of an **Affected User** who is an **Interconnector Owner** is **Deenergised**.; or
- d) The **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User's Equipment** is zero.

"Interruption Payment"

the payment for a **Relevant Interruption** calculated as follows:

- 1) In the case of a **Relevant Interruption** arising as a result of a **Planned Outage**;

In the case of an **Affected User** other than an **Interconnector Owner**

$$\sum_{i=k}^{i=n} \text{Maximum}(\text{Average daily } \pounds \text{ per MW rate}_i, \text{Actual daily } \pounds \text{ per MW rate}_i) * \text{Affected MW}_i$$

In the case of an **Affected User** who is an **Interconnector Owner**

$$\sum_{i=k}^{i=n} \text{Average daily } \pounds \text{ per MW rate}_i * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where:

i = calendar days

k = 1, representing the first calendar day associated with a **Relevant Interruption**.

n = number of complete or part complete calendar days of a **Relevant Interruption**

2) In the case of a **Relevant Interruption** arising as a result of either an **Emergency Deenergisation Instruction** or a **User Emergency Deenergisation**

In the case of an **Affected User** other than an **Interconnector Owner**

j = p

$$\sum_{j=1} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

j = m

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an **Affected User** who is an **Interconnector Owner**

j = p

$$\sum_{j=1} \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

j = m

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where;

j = **Settlement Periods** from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** or commencement of the **User Emergency Deenergisation** (as applicable), with 1 representing the first **Settlement Period**.

m = The duration of the **Relevant Interruption** (being the **Interruption Period**), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

p = The duration of the **Relevant Interruption** in **Settlement**

Periods for which **Gate Closure** has occurred (up to a maximum value of 3).

and after the first 24 hours of a Relevant Interruption a sum calculated as 1 above save that k shall be equal to 2.

3) In the case of all other Relevant Interruptions:

In the case of an **Affected User** other than an **Interconnector Owner**

$$\sum_{j=1}^{j=p} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

$$\sum_{j=4}^{j=m} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an **Affected User** who is an **Interconnector Owner**

$$\sum_{j=1}^{j=p} \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

$$\sum_{j=4}^{j=m} \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where;

j = **Settlement Periods** from the start of the **Relevant Interruption**, with 1 representing the first **Settlement Period**.

m = The duration of the **Relevant Interruption** (being the

Interruption Period), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

p = The duration of the **Relevant Interruption** in **Settlement Periods** for which **Gate Closure** has occurred (up to a maximum value of 3).

and after the first 24 hours of a **Relevant Interruption** a sum calculated in accordance with paragraph 1 above save that k shall be equal to 2.

Provided always that an **Affected User** shall not receive payment in respect of more than one **Relevant Interruption** for the same period.

4. In the event of the relevant **Market Price** being zero then for purpose of paragraphs 2 or 3 above the **Market Price** shall be deemed to be the most recent preceding positive price.

Throughout this definition of **Interruption Payment**:

Average daily £ per MW rate = (TNUoS income derived from generators/ total system **Transmission Entry Capacity**) / 365, calculated by reference in each case to figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs to give a daily £ per MW rate;

Actual daily £ per MW rate = (Annual TNUoS charge of an **Affected User** for the **Financial Year** /**Transmission Entry Capacity** for the **Connection Site**) / 365 calculated by reference to the tariff in the **Statement of Use of System Charges** for the **Financial Year** in which the **Relevant Interruption** occurs;

Affected MW = in the case of either **Export BM Units** or **Associated Export BM Units** , 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 **Export BM Units** at the **Connection Site**;

System Buy Price is as defined in the **Balancing and Settlement Code**;

Market Price is as defined in the **Balancing and Settlement Code**.

“Interruption Period”

For a **Planned Outage**, shall mean the period in whole calendar days commencing with the notification of the **Affected User** by **The Company** of the start of **Relevant Interruption** and ending on the notification of the **Affected User** by **The Company** that the **Relevant Interruption** has ended;

For a **Relevant Interruption** arising as a result of:

- (i) an **Emergency Deenergisation Instruction**, shall mean the period from the start of the **Settlement Period** in which **The Company** gave notification to the **Affected User** of the start of such **Relevant Interruption**; or
- (ii) a User **Emergency Deenergisation**, shall mean the period from the start of the **Settlement Period** in which the **User Emergency Deenergisation** commenced,

until the end of the **Settlement Period** in respect of which (i) **The Company** gave notification to the **Affected User** by **The Company** that the **Relevant Interruption** has ended or (ii), in the case of a **User Emergency Deenergisation**, means the earlier of (a) when the **Export BM Unit** is **Reenergised** or (b) when the issue on the **National Grid Transmission System** giving rise to the **User Emergency Deenergisation** is resolved, which shall be measured in:

- i) whole **Settlement Periods** for the first 24 hours from the time of either notification by **The Company** to the **Affected User** of the start of such **Relevant Interruption** or when the **User Emergency Deenergisation** commenced (as applicable); and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

In the case of all other **Relevant Interruptions** the duration, shall mean the period from the start of such **Relevant Interruption** which shall be measured in:

- i) whole **Settlement Periods** for the first 24 hours from the start of such **Relevant Interruption**; and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

"Intertrip Contracted Unit"

- (i) in the case of a **Power Park Module**, the collection of **Non-Synchronous Generating Units** which are registered as a **Power Park Module** under the **Grid Code**; and
- (ii) all other cases, a **Generating Unit**,

unless, in either case, the **Bilateral Agreement** specifies otherwise.

"Intertrip Payment"	as defined in Paragraph 4.2A.4(c);
"Isolation"	as defined in the Grid Code ;
"Joint System Incident"	<p>Paragraphs (a) and (b) below are without prejudice to the application of Paragraph 6.4 to Users acting in capacities other than those detailed in Paragraphs (a) and (b),</p> <p>(a) for Users in respect of their Connection Sites which were not Commissioned as at the Transfer Date, shall have the meaning given to that term in the Grid Code;</p> <p>(b) for Users acting in their capacity as Generators with Embedded Large Power Stations or Embedded Medium Power Stations and who are passing power onto a Distribution System through a connection with a Distribution System which was not Commissioned as at the Transfer Date, means an event wherever occurring (other than on an Embedded Medium Power Station or Embedded Small Power Station) which, in the opinion of The Company or a User has or may have a serious and/or widespread effect, being (in the case of an event on a User(s) System(s)) (other than on an Embedded Medium Power Station or Embedded Small Power Station), on the National Electricity Transmission System , and (in the case of an event on the National Electricity Transmission System), on a User(s) System(s) (other than on an Embedded Independent Generating Plant);</p>
"Joint Temporary TEC Exchange Users"	means the Temporary TEC Exchange Donor User and the Temporary TEC Exchange Recipient User ;
"Key Consents"	those Consents a User requires in respect of its Power Station project which are identified by The Company as key for the purposes of Part Three of the User Commitment Methodology and in relation to a particular User as defined in its Construction Agreement ;
"Key Consents In Place Date"	the date that The Company confirms in writing to the User that The Company is satisfied, for the purposes of Part Three of the User Commitment Methodology , that the User has been granted the Key Consents ;
"Land Charge"	the charge (if any) set out in Appendix B to a Bilateral Connection Agreement ;
"Large Power Station"	as defined in the Grid Code ;
"LDTEC"	Is, in the case of an accepted LDTEC Block Offer , Block LDTEC or, in the case of an accepted LDTEC Indicative Block Offer ,

	Indicative Block LDTEC;
"LDTEC Availability Notification"	the form set out in Exhibit T to the CUSC ;
"LDTEC Block Offer"	is an offer made by The Company for Short Term Capacity in accordance with the terms of Paragraphs 6.32.4.6 and 6.32.6.1 in response to an LDTEC Request ;
"LDTEC Charge"	being a component of the Use of System Charges which is made or levied by The Company and to be paid by the User , in the case of an accepted LDTEC Block Offer , for Block LDTEC and in the case of an accepted LDTEC Indicative Block Offer for Requested LDTEC and in the case of an accepted Temporary TEC Exchange Rate Offer for Temporary Received TEC , in each case calculated in accordance with the Charging Statements ;
"LDTEC Indicative Block Offer"	is an offer made by The Company for Short Term Capacity in accordance with the terms of Paragraphs 6.32.6.4 and 6.32.6.2 in response to an LDTEC Request ;
"LDTEC Indicative Profile"	is a profile in MW that indicates The Company's assessment of the MW capacity that may be available to a User for the LDTEC Period which has been prepared solely for the purpose of enabling a User to make its assessment of an LDTEC Indicative Block Offer ;
"LDTEC Offer"	is an LDTEC Block Offer and/or an LDTEC Indicative Offer ;
"LDTEC Period"	is, <ul style="list-style-type: none"> (a) a period of weeks or part thereof within a Financial Year as specified by the User in its LDTEC Request Form for a minimum period of seven weeks commencing on a Monday at 0.00 hours and finishing at 23.59 on any given day no later than the last day of such Financial Year, or (b) in the case of an accepted Temporary TEC Exchange Offer, the Temporary TEC Exchange Period;
"LDTEC Profile"	is a profile in MW of The Company's assessment of the MW capacity that is available to a User for the LDTEC Period (not exceeding the maximum level in the LDTEC Request) in an LDTEC Block Offer ;
"LDTEC Request"	is an application made by a user for an LDTEC Block Offer and/or an LDTEC Indicative Block Offer made using an LDTEC Request Form ;
"LDTEC Request Fee"	the fee to be paid by the User to The Company for an LDTEC

	Request as detailed in the Charging Statements ;
"LDTEC Request Form"	is the form set out in Exhibit S to the CUSC ;
"LDTEC Week"	is a week or part thereof within an LDTEC Period commencing on Monday at 0.00 and finishing on 23:59 on the last day within such week;
"Leading"	in relation to Reactive Power , importing Mvar;
"Legal Challenge"	an appeal to the Competition Commission or a judicial review in respect of the Authority's decision to approve or not to approve a CUSC Modification Proposal ;
"Less than 100MW"	Is defined as not having the capability to export 100MW to the Total System ;
"Letter of Credit"	<p>(a) in respect of Paragraph 2.22 shall mean an irrevocable standby letter of credit in a form reasonably satisfactory to The Company but in any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to The Company and allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;</p> <p>(b) in all other cases shall mean an unconditional irrevocable standby letter of credit in such form as The Company may reasonably approve issued for the account of the User in sterling in favour of The Company, allowing for partial drawings and providing for the payment to The Company forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long term debt rating of not less than single "A" by Standard and Poor's Corporation or by Moody's Investors Services, or such other bank as The Company may approve and which shall be available for payment at a branch of the issuing bank;</p>
"Licence"	any licence granted pursuant to Section 6 of the Act ;
"Licence Standards"	the standards to be met by The Company under Standard Condition C17 of the Transmission Licence ;
"Licensable Generation"	generating plant that is not Exemptible Generation ;
"Liquidated Damages"	in relation to a particular User , as defined in its Construction Agreement ;

"Local Safety Instructions"	as defined in the Grid Code ;
"Loss of Transmission Access Compensation Claim Form"	A form amended from time to time by agreement between the CUSC Modification Panel and The Company , to be completed by a claimant for submission of Relevant Interruption claims and available on a website maintained by The Company .
"MCUSA"	the Master Connection and Use of System Agreement dated 30 March 1990 (now amended to become the CUSC Framework Agreement);
"Main Business"	any business of The Company or any of its subsidiaries as at the Transfer Date or which it is required to carry on under the Transmission Licence , other than the Generation Business ;
"Main Business Person"	any employee of The Company or any director or employee of its subsidiaries who is engaged solely in the Main Business and " Main Business Personnel " shall be construed accordingly;
"Main System Circuits"	means Transmission Circuits but excluding a Grid Supply Point transformer;
"Maintenance Reconciliation Statement"	the statement prepared in accordance with Paragraph 2.14.5 and Paragraph 9.9.5;
"Mandatory Ancillary Services"	Part 1 System Ancillary Services ;
"Mandatory Services Agreement"	an agreement between The Company and a User to govern the provision of and payment for Mandatory Ancillary Services or to govern the payment by The Company to a User for Obligatory Reactive Power Service provided by an Offshore Transmission Licensee in accordance with the STC ;
"Market Agreement"	as defined in Paragraph 3.1 of Schedule 3, Part I;
"Market Day"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Market Suspension Period"	as defined in the Balancing and Settlement Code ;
"Material Effect"	an effect causing The Company or a Relevant Transmission Licensee to effect any works or to alter the manner of operation of Transmission Plant and/or Transmission Apparatus at the Connection Site or the site of connection or a User to effect any works or to alter the manner of operation of its Plant and/or Apparatus at the Connection Site or the site of connection which in either case involves that party in expenditure of more than £10,000;
"Materially Affected Party"	any person or class of persons designated by the Authority as such, in relation to the Charging Methodologies ;

“Maximum Export Capacity”	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Maximum Export Limit"	as defined in the Grid Code ;
"Maximum Generation"	means a Balancing Service provided from the Available BM Units by generating at a level above the MEL so as to increase the total export of Active Power from the Power Station to the National Electricity Transmission System, contributing towards The Company’s requirement for additional short-term generation output, all as more particularly described in Paragraph 4.2;
"Maximum Generation BM Unit"	means, as between The Company and a User, the BM Units, specified in the Maximum Generation Service Agreement ;
"Maximum Generation Energy Fee"	the amount (£/MWh) set out in the Maximum Generation Service Agreement as the same may be revised from time to time in accordance with Paragraph 4.2.5;
"Maximum Generation Energy Payment"	has the meaning attributed to it in Paragraph 4.2.5.1;
"Maximum Generation Instruction"	has the meaning attributed to it in Paragraph 4.2.4.1;
"Maximum Generation Redeclaration"	has the meaning attributed to it in Paragraph 4.2.3.3;
"Maximum Generation Service Agreement"	an agreement between The Company and a User specifying, amongst other things, the BM Units and the Maximum Generation Energy Fee applicable to the provision of Maximum Generation ;
“Maximum Import Capacity”	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Medium Power Station"	as defined in the Grid Code ;
"Meters"	as defined in the Balancing and Settlement Code ;
"Metering Equipment"	as defined in the Balancing and Settlement Code ;
"Meter Operator Agent"	as defined in the Balancing and Settlement Code ;
"Metering System"	as defined in the Balancing and Settlement Code ;
"Methodology"	the Statement of the Use of System Charging Methodology or the Statement of the Connection Charging Methodology (and " Methodologies " shall be construed accordingly);
“MITS Connection Works”	means those Transmission Reinforcement Works (inclusive of substation works) that are required from the Connection Site to

	connect to a MITS Substation (and in the context of an Embedded Power Station , “connection site” shall mean the associated Grid Supply Point identified as such in the relevant Bilateral Agreement);
“MITS Node”	means in the context of ascertaining the Attributable Works , a node with (i) more than four Transmission circuits or (ii) two or more Transmission circuits and a Grid Supply Point ;
“MITS Substation”	means (in the context of the definition of MITS Connection Works , a Transmission substation with more than 4 Main System Circuits connecting at that substation;
"Mode A Frequency Response"	as defined in Paragraph 4.1.3.3;
"Modification"	any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a User or The Company to either the User’s Plant or Apparatus or the manner of its operation or Transmission Plant or Transmission Apparatus or the manner of its operation which in either case has or may have a Material Effect on another CUSC Party at a particular Connection Site ;
"Modification Affected User"	as defined in Paragraph 6.9.3.2;
"Modification Application"	an application in the form or substantially in the form set out in Exhibit I to the CUSC ;
"Modification Notification"	a notification in the form or substantially in the form set out in Exhibit K to the CUSC ;
"Modification Offer"	an offer in the form or substantially in the form set out in Exhibit J to the CUSC , including any revision or extension of such offer;
"National Electricity Transmission System" or "NETS"	the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and Offshore and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain and Offshore in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"National Electricity Transmission System SQSS" or "NETS SQSS"	is the National Electricity Transmission System Security and Quality of Supply Standards (version 1) issued under Standard Condition C17 of the Transmission Licence (as amended, varied or replaced from time to time);

"Natural Demand"	the Demand (Active Power) which is necessary to meet the needs of Customers excluding that Demand (Active Power) met by Embedded Generating Units whose generation is not traded by Trading Parties through Energy Metering Systems registered under the Balancing and Settlement Code ;
"Net Asset Value"	the Gross Asset Value of the Transmission Connection Asset in question less depreciation over the Replacement Period calculated in accordance with recognised accounting principles and procedures;
"New Connection Site"	a proposed Connection Site in relation to which there is no Bilateral Agreement in force between the CUSC Parties ;
"New CUSC Party"	as defined in Paragraph 6.13;
"Net Demand"	Sum of the BM Unit Metered Volumes (QM_{ij}) of the Trading Unit during the three Settlement Periods of the Triad expressed as a positive number (i.e. $\sum QM_{ij}$);
"NHH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 2 of Section 3, Appendix 2;
"NHH Charges"	that element of Transmission Network Use of System Demand Charges relating to non-half-hourly metered Demand ;
"NHH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.4;
"NHH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed NHH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company ;
"Nominated Registered Capacity"	as defined in Appendix 5 of Schedule 3, Part I;
"Non- Performing Party"	as defined in Paragraph 6.19;
"Non-Embedded Customer"	a Customer except for a Public Distribution System Operator receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
"Non-Embedded User"	A User , except for a Public Distribution System Operator , receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
"Non Standard Boundary"	where the division of ownership of Plant and Apparatus is contrary to the principles of ownership set out in CUSC Paragraph 2.12;
"Non-Synchronous Generating Unit"	as defined in the Grid Code .

"Notice of Drawing"	a notice of drawing signed by or on behalf of The Company substantially in the form set out in Exhibit N to the CUSC ;
"Notification Date"	as defined in the Balancing and Settlement Code ;
"Notification of Circuit Outage"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Notification of Circuit Restriction"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Notification of Fixed Attributable Works Cancellation Charge"	the notification issued by The Company to a User , in accordance with Part Two of the User Commitment Methodology showing the Fixed Attributable Works Cancellation Charge such statement to be in substantially the form set out in Exhibit MM3 to the CUSC ;
"Notification of Restrictions on Availability"	as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Notification of ET Restrictions on Availability"	as defined in the relevant Bilateral Connection Agreement ;
"Notional Amount"	as defined in Paragraph 3.13;
"Nuclear Generator"	as defined in Paragraph 6.11;
"Nuclear Site Licence Provisions Agreement"	shall mean each of the following agreements (as from time to time amended) (a) the agreement between The Company and Magnox Electric plc (formally called Nuclear Electric plc) dated 30 March 1990, (b) the agreement between The Company and British Energy Generation Limited dated 31 March 1996, (c) the agreement between SP Transmission Limited and British Energy Generation (UK) Limited dated 29 May 1991 in relation to Hunterston power station and Torness power station, and (d) the agreement between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station.
"Obligatory Reactive Power Service"	as defined in Paragraph 1.1 of Schedule 3, Part I or provided by an Offshore Transmission Licensee in accordance with the STC ;
"Offer"	an offer for connection to and/or use of the National Electricity Transmission System made by The Company in relation to the CUSC ;

In the context of the **Charging Methodologies** it shall have the

	meaning as defined in the BSC;
"Offshore"	means wholly or partly in the Offshore Waters and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;
"Offshore Construction Works"	In relation to a particular User means those elements of the Construction Works to be undertaken by an Offshore Transmission Licensee on the Offshore Transmission System as defined in its Construction Agreement ;
"Offshore Grid Entry Point"	as defined in the Grid Code ;
"Offshore Platform"	a single structure comprising of Plant and Apparatus located Offshore which includes one or more Offshore Grid Entry Points ;
"Offshore Standard Design"	is a connection design (which provides for connection to the National Electricity Transmission System) of a Connection Site located Offshore which satisfies the minimum deterministic criteria detailed in paragraphs 7.7 to 7.19 of the NETS SQSS but does not satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the NETS SQSS ;
"Offshore Tender Process"	that process followed by the Authority to make, in prescribed cases, a determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
"Offshore Tender Regulations"	those regulations made by the Authority in accordance with section 6C of the Act to facilitate the determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
"Offshore Transmission"	means as defined in the Energy Act 2004;
"Offshore Transmission Implementation Plan"	as defined in the Transmission Licence ;
"Offshore Transmission Licensee"	means such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner standard conditions) of such Licence have been given effect or any person in that prospective role;
"Offshore Transmission Owner"	means either (a) such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner standard conditions) of such Licence have been given effect; or (b) a party who has acceded to the STC prior to the grant of a Licence referred to in (a) above as a requirement of the Offshore Tender Regulations ;

“Offshore Transmission Reinforcement Works”	in relation to a particular User , as defined in its Construction Agreement ;
"Offshore Transmission System"	a System used (or to be used) for the purposes of Offshore Transmission and for which there is (or where the OTSDUW Arrangements apply, will be) an Offshore Transmission Licensee ;
"Offshore Transmission System Development User Works" or "OTSDUW"	in relation to a particular User where the OTSDUW Arrangements apply means those activities and/or works to be undertaken by the User as identified in Part 2 of Appendix I of the relevant Construction Agreement ;
"Offshore Transmission System User Assets" or "OTSUA"	in relation to a particular User , any Plant and Apparatus resulting from OTSDUW Build which form the Offshore Transmission System to which the User's Equipment is to be or is connected, as identified in its Construction Agreement ;
"Offshore Waters"	has the meaning given to "offshore waters" in Section 90(9) of the Energy Act 2004;
“Offtaking”	as defined in the Balancing and Settlement Code ;
"One Off Charge"	the costs, including profits and overheads of carrying out the One Off Works , together with the Net Asset Value of any asset made redundant as a result of the Construction Works an estimate of which is specified in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement ;
"One Off Works"	the works described in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement ;
“Onshore”	means within Great Britain and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;
Onshore Transmission System	the part of the National Electricity Transmission System which is not an Offshore Transmission System ;
“Onshore Construction Works”	in relation to a particular User , means those elements of the Construction Works to be undertaken other than on the Offshore Transmission System as defined in its Construction Agreement ;
“Onshore Transmission Reinforcement Works”	in relation to a particular User , as defined in its Construction Agreement ;
"Operating Agreement(s)"	the operating agreements or arrangements identified in the Bilateral Connection Agreement between The Company and the Interconnector Owner of the relevant Interconnector and made between either The Company and the relevant Interconnector Owner and/or The Company and the relevant Interconnected

	System Operator;
"Operating Code" or "OC"	the portion of the Grid Code which is identified as the Operating Code ;
"Operation Diagrams"	as defined in the Grid Code ;
"Operational"	in relation to a Connection Site means that the same has been Commissioned (which for the avoidance of doubt does not necessarily include commissioning of Generating Units connected at the Connection Site) and that the User can use such User's Equipment to undertake those acts and things capable of being undertaken by BSC Parties and in relation to a Transmission Interface Site means, in the case of OTSDUW Build , that the same has been Commissioned and that the User can use the OTSUA ;
"Operational Date"	the date on which The Company issues the Operational Notification ;
"Operational Effect"	any effect on the operation of any System which causes that System to operate (or be at a materially increased risk of operating) differently to the way in which it would have normally operated in the absence of that effect;
"Operational Intertripping"	the automatic tripping of circuit breakers to prevent abnormal system conditions occurring, such as over voltage, overload, system instability etc. after the tripping of other circuit breakers following power system fault(s) which includes System to Power Station and System to Demand intertripping schemes;
"Operational Metering Equipment"	meters, instrument transformers (both voltage and current), transducers, metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purpose of CC.6.5.6 of the Grid Code and the corresponding provision of the relevant Distribution Code ;
"Operational Notification"	the notice of that name given to the User by The Company under Paragraphs 1.5.5 or 3.2.6 as appropriate;
"Original Party"	as defined in the CUSC Framework Agreement ;
"Other Dispute"	as defined in Paragraph 7.2.3;
"Other Party"	as defined in Paragraph 7.5.1;
"Other User"	as defined in Paragraph 6.10.3;
"OTSDUW Arrangements"	the arrangements whereby (a) OTSDUW Build or (b) the design, planning and consenting of assets that are to comprise an Offshore Transmission System are capable of being undertaken

	by a User ;
“OTSDUW Build”	the design, planning, consenting, construction, installation and commissioning by (or on behalf of) a User of OTSUA which forms an Offshore Transmission System which at the OTSUA Transfer Time will be owned by an Offshore Transmission Licensee ;
“OTSDUW Staged Build”	OTSDUW Build that is to be undertaken by the User in stages but which is part of a single Qualifying Project ;
“OTSUA Commissioning Period”	has the meaning given to commissioning period in Section 6G(1) of the Act ;
“OTSUA Commissioning Period Effective Date”	the date upon which, in accordance with the modification issued by the Authority to The Company pursuant to Section 6H of the Act , the amendments to the CUSC as provided for in such modification take effect;
“OTSUA Completion Notice”	the notice to be issued by The Company to the Authority in respect of OTSUA or OTSUA Operational at the OTSUA Commissioning Period Effective Date , in accordance with Standard Condition C25 of the Transmission Licence and Section 6G of the Act ;
“OTSUA Completion Notice Trigger Date”	means: <ul style="list-style-type: none"> a) other than in the case of OTSDUW Staged Build, the date upon which The Company, having already issued the Energisation Operational Notification and Interim Operational Notification Part A, issues the Interim Operational Notification Part B to the User; and c) in the case of OTSDUW Staged Build, the date upon which, by reference to the last stage of OTSDUW Build, The Company, having already issued the Energisation Operational Notification and Interim Operational Notification Part A, issues the Interim Operational Notification Part B for such stage to the User provided that all such documentation has already been issued in respect of all earlier stages of the OTSDUW Staged Build.
“OTSUA Operational at the OTSUA Commissioning Period Effective Date”	means OTSUA in respect of which: <ul style="list-style-type: none"> a) other than in the case of OTSDUW Staged Build, The Company, has already issued the Energisation Operational Notification and Interim Operational Notification to the User (recognising that they may be in different form but where they achieve the same effect as the Interim Operational Part A and Interim Operation

Notification Part B); and

- b) in the case of **OTSDUW Staged Build**, the date, by reference to the last stage of **OTSDUW Build**, **The Company**, has already issued the **Energisation Operational Notification** and **Interim Operational Notification** to the **User** (recognising that they may be in different form but where they achieve the same effect as the **Interim Operational Part A** and **Interim Operation Notification Part B**) provided that such documentation has already been issued in respect of all earlier stages of the **OTSDUW Staged Build**,

on or before the **OTSUA Commissioning Period Effective Date** and where the **OTSUA Transfer Time** has not occurred at the **OTSUA Commissioning Period Effective Date**;

"OTSUA Transfer Time"	the time and date at which the OTSUA are transferred by the relevant User to an Offshore Transmission Licensee ;
"Output"	the actual Active Power or Reactive Power output achieved by a BM Unit ;
"Output Useable"	shall have the meaning given to that term in the Grid Code ;
"Panel Chairman"	a person appointed as such in accordance with Paragraph 8.4.1;
"Panel Member"	any of the persons listed in Paragraph 8.3.1(b);
"Panel Member Interim Vacancies"	as defined in Paragraph 8A.4.3.3;
"Panel Members' Recommendation"	the recommendation in accordance with the CUSC Modifications Panel Recommendation Vote ;
"Panel Secretary"	a person appointed as such in accordance with Paragraph 8.3.1(c);
"Part 1 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Part 2 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Partial Shutdown "	as defined in the Grid Code ;
"Party Liable"	as defined in Paragraph 6.12.1;
"Payment Date"	as defined in the Balancing and Settlement Code ;
"Payment Record Sum"	the proportion of the Unsecured Credit Cover extended by The Company to a User who does meeting the Approved Credit

	Rating calculated in accordance with Paragraph 3.26.4 and 3.26.5;
"Pending CUSC Modification Proposal"	a CUSC Modification Proposal in respect of which, at the relevant time, the Authority has not yet made a decision as to whether to direct such Proposed CUSC Modification to be made pursuant to the Transmission Licence (whether or not a CUSC Modification Report has been submitted in respect of such CUSC Modification Proposal);
"Performance Bond"	an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to The Company but in any case allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;
"Permitted Activities"	activities carried on for the purposes of the Main Business ;
"Physical Notification"	as defined in the Balancing and Settlement Code ;
"Planned Outage"	as defined in the Grid Code ;
"Planning Code" or PC	that portion of the Grid Code which is identified as the Planning Code ;
"Plant"	fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than Apparatus ;
"Pool Member"	as defined in the Balancing and Settlement Code ;
"Pooling and Settlement Agreement"	as defined in the Balancing and Settlement Code ;
"Power Park Module"	as defined in the Grid Code ;
"Power Park Unit"	as defined in the Grid Code ;
"Power Station"	as defined in the Grid Code ;
"Practical Completion Date"	in relation to a particular User , as defined in its Construction Agreement ;
"Preference Votes"	as defined in Paragraph 8A.3.2.1;
"Prescribed Rate"	the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (interest) Act 1998;
"Pre Trigger Amount"	the component of the Cancellation Charge that applies before the Trigger Date and which is more particularly described in Part Two of the User Commitment Methodology ;

"Primary Response"	as defined in the Grid Code ;
"Proceedings"	as defined in Paragraph 6.23.1;
"Production"	as defined in the Balancing and Settlement Code in relation to a Production BM Unit;
"Progress Report"	as defined in Paragraph 8.14;
"Proposed Implementation Date"	the proposed date(s) for the implementation of a CUSC Modification Proposal or Workgroup Alternative CUSC Modification such date(s) to be either (i) described by reference to a specified period after a direction from the Authority approving the CUSC Modification Proposal or Workgroup Alternative CUSC Modification or (ii) a Fixed Proposed Implementation Date ;
"Proposer"	in relation to a particular CUSC Modification Proposal , the person who makes such CUSC Modification Proposal ;
"Protected Information"	any information relating to the affairs of a CUSC Party which is furnished to Business Personnel pursuant to the CUSC or a Bilateral Agreement or a Mandatory Services Agreement or a Construction Agreement or pursuant to a direction under section 34 of the Act or pursuant to the provisions of the Fuel Security Code unless, prior to such information being furnished, such CUSC Party has informed the recipient thereof by notice in writing or by endorsement on such information, that the said information is not to be regarded as Protected Information ;
"Provisional Statement"	as defined in Paragraph 4.3.2.1(a);
"Provisional Monthly Statement"	as defined in Paragraph 4.3.2.1;
"Provisional Adjustments Statement"	as defined in Paragraph 4.3.2.1(b);
"Public Distribution System Operator"	a holder of a Distribution Licence who was the holder, or is a successor to a company which was the holder of a Public Electricity Supply Licence relating to distribution activities in Great Britain on the CUSC Implementation Date ;
"Public Electricity Supply Licence"	a licence issued under section 6(1)(c) of the Act prior to the coming in force of section 30 of the Utilities Act 2000;
"Qualified Bank" or "Qualifying Bank"	means either: <ul style="list-style-type: none"> (a) a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the

Performance Bond or **Letter of Credit** it issues in favour of **The Company**, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any similar credit surveillance which gives **The Company** reasonable cause to doubt that such bank may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives **The Company** reasonable cause to have such doubt; or

- (b) a branch in **Great Britain** of a regulated insurance company, its successors and assigns, which throughout the validity period of the **Performance Bond** or **Letter of Credit** it issues in favour of **The Company**, is authorised or licensed to provide arrangements of this type in the United Kingdom, and has a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such regulated insurance company is not during such validity period put on any credit watch or any similar credit surveillance which gives **The Company** reasonable cause to doubt that such regulated insurance company may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives **The Company** reasonable cause to have such doubt.

"Qualified Company" or

"Qualifying Company"

a company which is a public company or a private company within the meaning of section 1(3) of the Companies Act 1985 and which is either :

- (a) a shareholder of the User or any holding company of such shareholder-or
- (b) any subsidiary of any such holding company, but only where the subsidiary
 - (i) demonstrates to The Company's satisfaction that it has power under its constitution to give a Performance Bond other than in respect of its subsidiary;
 - (ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the Performance Bond is likely to promote the success of that subsidiary for the benefit of its members;
 - (iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding

company of the User, of the giving of the Performance Bond,

(the expressions "holding company" and "subsidiary" having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the Performance Bond it gives in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating or such lesser rating which The Company may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives The Company reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the Performance Bond and no other event has occurred which gives The Company reasonable cause to have such doubt;

"Qualifying Guarantee"

a guarantee in favour of **The Company** in a form proposed by the **User** and agreed by **The Company** (whose agreement shall not be unreasonably withheld or delayed) and which is provided by

(i) an entity which holds an **Approved Credit Rating** provided that such guarantee cannot secure a sum greater than the level of **User's Allowed Credit** that would be available to that entity in accordance with Paragraph 3.26.2 if it was a User; or

(ii) an entity with an **Independent Credit Assessment** provided that such guarantee cannot secure a sum greater than the level of **User's Allowed Credit** that would be available to that entity in accordance with Paragraph 3.26.6 if it was a **User**; and

(iii) which in either case does not, when aggregated with all other **Qualifying Guarantees** provided by that entity, exceed (a) the level of **User's Allowed Credit** that would be available to that entity in accordance with Paragraph 3.26 if it was a **User** or (b) if the entity is a **User** the level of **User's Allowed Credit** available to it in accordance with Paragraph 3.26 less any amount relied on by the **User** in respect of its own requirements.

"Qualifying Project"

has the meaning ascribed to it in the **Act**;

"Rated MW"

as defined in the **Grid Code**;

"Reactive Despatch Instruction"

an instruction relating to **Reactive Power** given by **The Company** to a **Generator** in accordance with **Grid Code BC2**;

"Reactive Despatch to Zero Mvar Network Restriction"

as defined in the **Grid Code**;

"Reactive Energy"	as defined in the Balancing and Settlement Code ;
"Reactive Power"	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e.:- 1000 Var = 1Kvar 1000 Kvar = 1Mvar;
"Reactive Test"	a test conducted pursuant to Grid Code OC 5.5.1;
"Reasonable Charges"	reasonable cost reflective charges comparable to charges for similar services obtainable in the open market;
"Reconciled Charge"	as defined in Paragraph 3.15.1 and like terms shall be construed accordingly;
"Reconciliation Settlement Run"	as defined in the Balancing and Settlement Code ;
"Reenergisation" or "Reenergised"	any Energisation after a Deenergisation ;
"Registered Capacity"	has the meaning given in the Grid Code ;
"Registered Data"	those items of Standard Planning Data and Detailed Planning Data which upon connection become fixed (subject to any subsequent changes);
"Registrant"	as defined in the Balancing and Settlement Code ;
"Regulations"	the Electricity Supply Regulations 1988 or any amendment or re-enactment thereof;
"Rejected CUSC Modification Proposal"	a CUSC Modification Proposal in respect of which the Authority has decided not to direct The Company to modify the Code pursuant to the Transmission Licence in the manner set out herein;
"Related Person"	means, in relation to an individual, any member of his immediate family, his employer (and any former employer of his within the previous 12 months), any partner with whom he is in partnership, and any company or Affiliate of a company in which he or any member of his immediate family controls more than 20% of the voting rights in respect of the shares of the company;
"Related Undertaking"	in relation to The Company (and for the purposes of Paragraph 6.15, a User) means any undertaking in which The Company has a participating interest as defined by section 260(1) of the Companies Act 1985 as substituted by section 22 of the

	Companies Act 1989;
"Release Date"	as defined in Paragraph 2.22.2;
"Relevant Embedded Medium Power Station"	an Embedded Medium Power Station which is an Exempt Power Station , and does not intend to be the subject of a Bilateral Agreement ;
"Relevant Embedded Small Power Station"	an Embedded Small Power Station that the User who owns or operates the Distribution System to which the Embedded Small Power Station intends to connect reasonably believes may have a significant system effect on the National Electricity Transmission System ;
"Relevant Interruption"	an Interruption other than an Allowed Interruption ;
"Relevant Offshore Agreement"	as defined in the Transmission Licence ;
"Relevant Party"	as defined in Paragraph 8.16.10(a);
"Relevant Transmission Licensee"	means SP Transmission Limited in south of Scotland, Scottish Hydro- Electric Transmission Limited in north of Scotland and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System;
"Remote Transmission Assets"	any Plant and Apparatus or meters owned by The Company which (a) are embedded in a Distribution System or a User System and which are not directly connected by Plant and/or Apparatus owned by The Company to a sub-station owned by The Company and (b) are by agreement between The Company and such Public Distribution System Operator or User under the direction and control of such Public Distribution System Operator or User ;
"Replacement Period"	in relation to a Transmission Connection Asset , the period commencing on the date on which such Transmission Connection Asset is or was originally Commissioned , after which it is assumed for accounting purposes such Transmission Connection Asset will need to be replaced, which shall be 40 years except (a) in the case of Transmission Connection Assets located Offshore where it shall be 20 years, or unless otherwise agreed between the CUSC Parties to a Bilateral Agreement and recorded in the relevant Bilateral Agreement ;
"Reported Period(s) of Increase"	the period of time during which a User's Demand increased not being more than 20 Business Days , as notified to The Company under paragraph 3.22.7 or paragraph 3.22.8;

"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the CUSC ;
"Request for a STTEC Authorisation"	a request made by a User in accordance with the terms Paragraph 6.31 for Short Term Capacity for a STTEC Period;
"Requested LDTEC"	the figure in MW for the LDTEC Period (not exceeding the maximum level in the LDTEC Request) specified in the User's acceptance of the LDTEC Indicative Block Offer in accordance with paragraph 6.32.6.5;
"Required Amount"	as defined in Paragraph 2.21.2(c);
"Required Sovereign Credit Rating"	a long term debt rating of not less than A by Standard and Poor's Corporation or a rating not less than A2 by Moody's Investor Services or a short term rating which correlates to those long term ratings or an equivalent rating from any other reputable credit agency approved by The Company in respect of non local currency obligations;
"Required Standard"	in relation to an item of Derogated Plant , the respective standard required of that item (which shall not exceed that required by the Grid Code or the Licence Standards , as the case may be) as specified in or pursuant to the relevant Derogation ;
"Requirements"	shall mean an entity who throughout the validity period of the Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement : <ul style="list-style-type: none"> (a) holds a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such entity is not during such validity period put on any credit watch or any similar credit surveillance which gives The Company reasonable cause to doubt that such entity may not be able to retain the aforesaid rating throughout the validity period; and (b) the country of residence of such entity meets the Required Sovereign Credit Rating; and (c) the security provided is Enforceable; and (d) there are no material conditions preventing the exercise by The Company of its rights under the Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement;
"Resigning Alternate Member"	as defined in Paragraph 8A.4.1.3;
"Resigning Panel Member"	as defined in Paragraph 8A.4.1;

"Response"	Primary Response, Secondary Response and High Frequency Response or any of them as the case may be;
"Response Energy Payment"	that component of the payment for Mode A Frequency Response calculated in accordance with Paragraph 4.1.3.9A;
"Restricted Export Level Payment"	<p>in respect of each Restricted Export Level Period, the payment for each day comprised within the Restricted Export Level Period or (where the Restricted Export Level Period starts or ends during a day) part of a day calculated as follows:</p> <p>The higher of:</p> <p>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 System to Generator Operational Intertripping Scheme trips, this is then divided by 365 to give a daily £ per MW rate; or</p> <p>B. the actual £ per MW of the User (who requests in accordance with Clause 4.2A.4) by reference to the tariff in the Use of System Charging Statement for the Financial Year in which the System to Generator Operational Intertripping Scheme trips divided by 365 to give a daily £ per MW rate.</p> <p>A or B are then multiplied by:</p> <p>the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the Restricted MW Export Level;</p>
"Restricted Export Level Period"	as defined in Paragraph 4.2A.4(b)(ii);
"Restricted MW Export Level"	as defined in Paragraph 4.2A.2.1(c)(i);
"Restrictions on Availability"	is, in the context of a Design Variation or an Offshore Connection , the outage or reduction in capability as set out in the relevant Notification of Restrictions on Availability ;
"Retail Price Index"	<p>the general index of retail prices published by the Office for National Statistics each month in respect of all items or:</p> <p>(a) if the said index for any month in any year shall not have been published on or before the last day of the third month after such month such index for such month or months as the parties hereto agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the last day of such three month period then as determined by a sole Chartered Accountant appointed by agreement by both parties or in the</p>

absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who shall act as an expert and whose decision shall be final and binding on the parties; or

- (b) if there is a material change in the basis of the said index, such other index as the parties agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the occurrence of the material change in the basis of the said index then as determined by the sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who shall act as an expert and whose decision shall be final and binding on the parties;

"Revised Indicative Annual HH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 5;
"Revised Indicative Annual NHH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 8;
"Revised Proposed Implementation Date"	the revision to a Fixed Proposed Implementation Date recommended to the Authority by the CUSC Modifications Panel pursuant to CUSC Paragraph 8.23.9.4;
"Safety Coordinator(s)"	a person or persons nominated by The Company and each User in relation to Connection Points (as defined in the Grid Code) (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface Points) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface Points) in Scotland or Offshore to be responsible for the co-ordination of Safety Precautions (as defined in the Grid Code) at each Connection Point when work and/or testing is to be carried out on a system which necessitates the provision of Safety Precautions on HV Apparatus, pursuant to OC8;
"Safety Rules"	the rules of The Company , a Relevant Transmission Licensee or a User that seek to ensure that persons working on Plant and/or Apparatus to which the rules apply are safeguarded from hazards arising from the System ;
"Second Offer"	as defined in Paragraph 6.10.4;
"Secondary Response"	as defined in the Grid Code ;
"Secretary of State"	has the meaning given to that term in the Act ;

"Secured Amount Statement"	a statement accompanying the Bi-annual Estimate setting out the amount to be secured by the User under Paragraph 2.21 based on figures contained in the Bi-annual Estimate being the amount for which security shall be provided to The Company pursuant to that Paragraph such statement to be substantially in the form set out in Exhibit M to the CUSC ;
"Secured Event"	as defined in the Grid Code ;
"Security Amendment"	the Proposed Amendment in respect of Amendment Proposal 089\090\091 ;
"Security Amendment Implementation Date"	the Implementation Date of the Security Amendment ;
"Security Amount"	in respect of the User the aggregate of available amounts of each outstanding (a) Letter of Credit , (b) Qualifying Guarantee and (c) the principal amount (if any) of cash that the User has paid to the credit of the Escrow Account (and which has not been repaid to the User); for the purpose of this definition, in relation to a Letter of Credit or Qualifying Guarantee "available amount" means the face amount thereof less (i) payments already made thereunder and (ii) claims made thereunder but not yet paid;
"Security Cover"	for each User , the User's Security Requirement less the User's Allowed Credit ;
"Security Period"	means the First Security Period and each 6 month period thereafter commencing on the 1 April or 1 October until 30 days after the relevant Charging Date ;
"Security and Quality of Supply Standard"	as defined in the Grid Code ;
"Security Requirement"	the aggregate amount for the time being which the User shall be required by The Company to provide and maintain by way of Security Cover and its User's Allowed Credit in accordance with Paragraph 3.22;
"Security Standard"	the Security and Quality of Supply Standard ;
"Self-Governance Criteria"	a CUSC Modification Proposal that, if implemented, (a) is unlikely to have a material effect on: (i) existing or future electricity consumers; and (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation,

distribution or supply of electricity; and

(iii) the operation of the **National Electricity Transmission System**; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the **CUSC**'s governance procedures or the **CUSC**'s modification procedures, and

(b) is unlikely to discriminate between different classes of **CUSC Parties**;

"Self-Governance Statement"

the statement made by the **CUSC Modifications Panel** and submitted to the **Authority**:

(a) confirming that, in its opinion, the **Self-Governance Criteria** are met and the **CUSC Modification Proposal** is suitable for the self-governance route; and

(b) providing a detailed explanation of the **CUSC Modification Panel**'s reasons for that opinion;

"Separate Business"

the **Transmission Business** taken separately from any other business of **The Company**, but so that where all or any part of such business is carried out by an **Affiliate** or **Related Undertaking** of **The Company** such part of the business as is carried out by that **Affiliate** or **Related Undertaking** shall be consolidated with any other such business of **The Company** (and of any other **Affiliate** or **Related Undertaking**) so as to form a single **Separate Business**;

"Settlement Administration Agent (SAA)"

as defined in the **Balancing and Settlement Code**;

"Settlement Day"

as defined in the **Balancing and Settlement Code**;

"Settlement Period"

as defined in the **Balancing and Settlement Code**;

"Settlement Run"

as defined in the **Balancing and Settlement Code**;

"Seven Year Statement"

as defined in the **Grid Code**;

"Shortfall Action Threshold Amount"

means the amount as notified by the **Authority** to **The Company** from time to time;

"Shortfall Application Date"

shall mean, as appropriate:

1.

(a) the date by which the **User** has issued and served court proceedings on the **Developer** for the recovery of the **Cancellation Charge Shortfall**;

or

(b) the date by which the **User** has instigated **Insolvency Proceedings** against the **Developer** for the recovery of the **Cancellation Charge Shortfall**; or

(c) where the **Developer** is the subject of **Insolvency Proceedings** instigated other than by the **User**, the date by which the **User** has submitted its claim for the **Cancellation Charge Shortfall** under these; or

2. such date (being an alternative to the dates in 1 above) as approved by the **Authority** following a request from the **User**; or

3. where the **Cancellation Charge Shortfall** is less than the **Shortfall Action Threshold Amount** and the **User** has undertaken all preparatory steps necessary to undertake the activity in 1 above; the date which is 30 days (or the first **Business Day** following this) from the date of payment of the **Cancellation Charge** by the **User**;

"Short Term Capacity"

the right to export on to the **National Electricity Transmission System** power in accordance with the provisions of **CUSC**;

"Significant Code Review"

a review of one or more matters which the **Authority** considers is likely to:

(a) relate to the **CUSC** (either on its own or in conjunction with other Industry Codes); and

(b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under EU law, and

concerning which the **Authority** has issued a notice to the **CUSC Parties** (among others, as appropriate) stating:

(i) that the review will constitute a significant code review;

(ii) the start date of the significant code review; and

(iii) the matters that will fall within the scope of the review;

"Significant Code Review"

the period

Phase”

commencing either:

- (i) on the start date of a **Significant Code Review** as stated in the noticed issued by the **Authority**; or
- (ii) on the date the **Authority** makes a direction under Paragraph 8.17C (a “**Backstop Direction**”)

and

ending either:

- (a) on the date on which the **Authority** issues a statement that no directions will be issued in relation to the **CUSC**; or
- (b) If no statement is made under Paragraph 8.17.11 or 8.17.6A, on the date which **The Company** has made a **CUSC Modification Proposal** in accordance with Paragraph 8.17.6, or the **Authority** makes a modification proposal in respect of a **Significant Code Review** under Paragraph 8.17A.1: or
- (c) Immediately, if neither a statement, a modification proposal nor directions are made by the **Authority** up to and including twenty eight (28) days from the **Authority**’s publication of its **Significant Code Review** conclusions; or
- (d) if a statement has been made under Paragraph 8.17.6A or a direction has been made under Paragraph 8.17C (a “**Backstop Direction**”), on the date specified in accordance with Paragraph 8.17.6A.

"Site Common Drawings"

as defined in the **Grid Code**;

"Site Load"

the sum of the **BM Unit Metered Volumes (QM_{ij})**, expressed as a positive number, of **BM Units** within the **Trading Unit** with QM_i less than zero during the three **Settlement Periods** of the **Triad** (i.e. $\sum QM_{ij}$ where $QM_{ij} < 0$), which may comprise **Station Load** and **Additional Load**;

"Site Responsibility Schedule"

a schedule containing the information and prepared on the basis of the provisions set out in Appendix 1 of the **CC**;

"Site Specific Maintenance"

the element of the **Connection Charges** relating to maintenance

Charge"	and repair calculated in accordance with the Connection Charging Methodology ;
"Site Specific Requirements"	those requirements reasonably required by The Company in accordance with the Grid Code at the site of connection of a Relevant Embedded Medium Power Station or a Relevant Embedded Small Power Station ;
"Small Independent Generating Plant"	a Medium Power Station ;
"Small Participant"	(a) a generator, supplier, distributor, or new entrants to the electricity market in Great Britain that can demonstrate to the Code Administrator that it is resource-constrained and, therefore in particular need of assistance; (b) any other participant or class of participant that the Code Administrator considers to be in particular need of assistance; and (c) a participant or class of participant that the Authority has notified to the Code Administrator as being in particular need of assistance;
"Small Power Station"	as defined in the Grid Code ;
"Small Power Station Trading Party"	a Trading Party trading on behalf of one or more Small Power Stations whether owned by the Trading Party or another person;
"SMRS"	as defined in the Balancing and Settlement Code ;
"Sole Trading Unit"	as defined in the Balancing and Settlement Code ;
"Standard CUSC Modification Proposal"	A CUSC Modification Proposal that does not fall within the scope of a Significant Code Review subject to any direction by the Authority pursuant to Paragraphs 8.17.3 and 8.17.4, nor meets the Self-Governance Criteria subject to any direction by the Authority pursuant to Paragraph 8.25.4 and in accordance with any direction under Paragraph 8.25.2;
"Statement of the Connection Charging Methodology"	the statement produced pursuant to and in accordance with Standard Condition C6 of the Transmission Licence , as modified from time to time;
"Statement of Use of System Charges"	the statement produced pursuant to and in accordance with Standard Condition C4 of the Transmission Licence , as modified from time to time;
"Statement of the Use of System Charging Methodology"	the statement produced pursuant to Standard Condition C5 of the Transmission Licence , as modified from time to time;

"Station Demand"	in respect of any generating station and Generator , means that consumption of electricity (excluding any supply to any Customer of the relevant Generator who is neither such Generator nor a member of a qualifying group of which such Generator is a part) from the National Electricity Transmission System or a Distribution System at premises on the same site as such generating station, with premises being treated as on the same site as each other if they are: <ul style="list-style-type: none"> (i) the same premises; (ii) immediately adjoining each other; (iii) separated from each other only by road, railway or watercourse or by other premises (other than a pipe-line, electric line or similar structure) occupied by the consumer in question or by any other person who together with that consumer forms a qualifying group; and for the purpose of this definition "generating station" and "qualifying group" shall have the meanings given those expressions when used in the Electricity (Class Exemptions from the Requirement for a Licence) Order 1990;
"Station Load"	the Station Load is equal to the sum of the demand of BM Units solely comprising the Station Transformers within the Power Station . For the avoidance of doubt, Station Load excludes BM Units comprising Additional Load ;
"Station Transformer"	has the meaning given in the Grid Code ;
"Steam Unit"	a Generating Unit whose prime mover converts the heat energy in steam to mechanical energy;
"STC"	the System Operator - Transmission Owner Code entered into by The Company pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence ;
"STTEC"	the figure in MW (if any) for the STTEC Period granted by The Company in accordance with Paragraph 6.31 of the CUSC and specified as such in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"STTEC Authorisation"	the authorisation notified by The Company for Short Term Capacity in accordance with the terms of Paragraph 6.3.1.6.1 in response to a Request for a STTEC Authorisation ;
"STTEC Charge"	being a component of the Use of System Charges which is made or levied by The Company and to be paid by the User for STTEC calculated in accordance with the Charging Statements ;

"STTEC Offer"	an offer made by The Company for Short Term Capacity in accordance with the terms of Paragraphs 6.31.6.2 and 6.31.6.3 in response to an Application for a STTEC Offer ;
"STTEC Period"	in the case of a STTEC Authorisation , a period of 28 days commencing on a Monday at 00.00 hours and finishing at 23.59 on a Sunday. In the case of a STTEC Offer , a period of either 28, 35, or 42 days (as specified by the User in its STTEC Request Form) commencing on a Monday at 0.00 hours and finishing at 23.59 on a Sunday;
"STTEC Request"	either a Request for a STTEC Authorisation or an Application for a STTEC Offer ;
"STTEC Request Fee"	the non-refundable fee to be paid by the User to The Company as detailed in the Charging Statements ;
"STTEC Request Form"	the form set out in Exhibit P to the CUSC ;
"Subsidiary"	has the meaning given to that term in section 736A of the Companies Act 1985;
"Supplemental Agreement"	an agreement entered into pursuant to clause 2 of the MCUSA ;
"Supplier"	a person who holds a Supply Licence ;
"Supply Agreement"	an agreement between a Non-Embedded Customer and a Supplier for the supply of electricity to the Non-Embedded Customer's Connection Site ;
"Supplier Half Hourly Demand"	means BM Unit Metered Volumes (QM_{ij}) expressed as a positive number (i.e. $\sum QM_{ij}$) of the Trading Unit during the three Settlement Periods of the Triad due to half-hourly metered imports;
"Supply Licence"	a licence granted under section 6(1)(d) of the Act ;
"Supplier Non Half-Hourly Demand"	means BM Metered Volumes (QM_{ij}) expressed as a positive number (i.e. $\sum QM_{ij}$) of the Trading Unit over the charging year between Settlement Periods 33 to 38 due to Non-half-hourly metered imports;
"Supplier Volume Allocation"	as defined in the Balancing and Settlement Code ;
<u>"Supplier Voting Group"</u>	<u>all User(s) in a Voting Group who are Suppliers;</u>
"Synchronous Compensation"	the operation of rotating synchronous apparatus for the specific purpose of either generation or absorption of Reactive Power ;
"Synchronised"	the condition where an incoming BM Unit or CCGT Unit or System is connected to the busbars of another System so that the

	Frequencies and phase relationships of that BM Unit or CCGT Unit or the System , as the case may be, and the System to which it is connected are identical;
"System Ancillary Services"	Mandatory Ancillary Services and Part 2 System Ancillary Services ;
"System"	any User System or the National Electricity Transmission System as the case may be;
"System to Generator Operational Intertripping"	as defined in the Grid Code ;
"System to Generator Operational Intertripping Scheme"	as defined in the Grid Code ;
"Target Frequency"	the Frequency determined by The Company in its reasonable opinion as the desired operating Frequency of the Total System . This will normally be 50.00 Hz plus or minus 0.05 Hz, except in exceptional circumstances as determined by The Company in its reasonable opinion. An example of exceptional circumstances may be difficulties caused in operating the System during disputes affecting fuel supplies;
"TEC Increase Request"	a request for an increase in Transmission Entry Capacity pursuant to CUSC paragraph 6.30.2;
"TEC Register"	the register set up by The Company pursuant to Paragraph 6.30.3.1;
"TEC Trade"	a trade between parties of their respective Transmission Entry Capacity ;
"Tendered Capability Breakpoints"	as defined in Paragraph 1.4 of Appendix 5 of Schedule 3, Part I;
"Temporary Donated TEC"	is the temporary MW reduction in the export rights of the Temporary TEC Exchange Donor User arising from acceptance of a Temporary TEC Exchange Offer ;
"Temporary Received TEC"	is at any time the Temporary TEC Exchange Rate ;
"Temporary TEC Exchange Donor User"	is a User that has jointly made a Temporary TEC Exchange Rate Request to reduce its rights to export for the duration of the Temporary TEC Exchange Period ;
"Temporary TEC Exchange"	is the form set out in Exhibit X to the CUSC ;

Notification of Interest Form"

"Temporary TEC Exchange Offer"

is an offer made by **The Company** for a **Temporary TEC Exchange Rate** in accordance with the terms of Paragraphs 6.34.4.6;

"Temporary TEC Exchange Period"

is a period within a **Financial Year** as specified in the **Temporary TEC Exchange Rate Request Form** being for a minimum of four weeks and commencing at 0.00 hours on a Monday and finishing at 23.59 on any given day no later than the last day of such **Financial Year**;

"Temporary TEC Exchange Rate Request Fee"

is the single fee to be paid to **The Company** for a **Temporary TEC Exchange Rate Request** as detailed in the **Charging Statements**;

"Temporary TEC Exchange Rate Request Form"

is the form set out in Exhibit W to the **CUSC**;

"Temporary TEC Exchange Rate Request"

is a joint application made by a **Temporary TEC Exchange Donor User** and a **Temporary TEC Exchange Recipient User** for a **Temporary TEC Exchange Rate Offer**;

"Temporary TEC Exchange Rate"

is a weekly profile of the additional export rights in MW available to the **Temporary TEC Exchange Recipient User** as a direct result of the temporary reduction in export rights in MW of the **Temporary TEC Exchange Donor User**;

"Temporary TEC Exchange Recipient User"

is a **User** that has jointly made a **Temporary TEC Exchange Rate Request** to increase its rights to export for the duration of the **Temporary TEC Exchange Period**;

"Temporary TEC Trade Exchange"

a trade made pursuant to CUSC Paragraph 6.34;

"Tenders"

as defined in Paragraph 3.3 of Schedule 3, Part I;

"Tenderers"

as defined in Paragraph 3.3 of Schedule 3, Part I;

"Tender Period"

as defined in Paragraph 3.3 of Schedule 3, Part I;

"Term"

without prejudice to the interpretation of **Term** in respect of **Users** acting in other capacities, for **Users** acting in respect of their **Connection Sites** which were not **Commissioned** at the **Transfer Date**, it means the term of the relevant **Bilateral Connection Agreement** commencing on the date of the **Bilateral Connection Agreement** and ending in accordance with Clause 9 of that agreement;

"Termination Amount"

in relation to a **Connection Site**, the amount calculated in

	accordance with the Charging Statements ;
"The Company"	National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH;
"The Company Credit Rating"	any one of the following:- <ul style="list-style-type: none"> (a) a credit rating for long term debt of A- and A3 respectively as set by Standard and Poor's or Moody's respectively; (b) an indicative long term private credit rating of A- and A3 respectively as set by Standard and Poor's or Moody's as the basis of issuing senior unsecured debt; (c) a short term rating by Standard and Poor's or Moody's which correlates to a long term rating of A- and A3 respectively; or (d) where the User's Licence issued under the Electricity Act 1989 (as amended by the Utilities Act 2000) requires that User to maintain a credit rating, the credit rating defined in that User's Licence;
"The Company's Engineering Charges"	the charges levied by The Company in relation to an application for connection and/or use of the National Electricity Transmission System ;
"The Company Prescribed Level"	the forecast value of the regulatory asset value of The Company for a Financial Year as set out in the document published from time to time by Ofgem setting this out and currently know as "Ofgem's Transmission Price Control Review of The Company – Transmission Owner Final Proposals" such values to be published on The Company Website by reference to The Company credit arrangements no later than 31 January prior to the beginning of the Financial Year to which such value relates;
"Third Party Claim"	as defined in Paragraph 7.5.3;
"Third Party Works"	in relation to a particular User those works, defined as such in its Construction Agreement ; being works undertaken on assets belonging to someone other than The Company or the User where such works are required by The Company to enable it to provide the connection to and/or use of the National Electricity Transmission System by the User or required as a consequence of connection to and/or use of the National Electricity Transmission System by the User ;
TNUoS Tariff Forecast	an annual timetable prepared and published by The Company by the end of January of each Financial Year (t) which sets out when The Company will publish updates in Financial Year (t+1) (being

Timetable	not less than quarterly) to the forecast of Transmission Network Use of System Charges for the Financial (t+2) .
"Total System"	the National Electricity Transmission System and all User Systems in Great Britain and Offshore ;
"Total System Chargeable HH Demand"	the total of all half-hourly metered Demands for which HH Charges are paid, taken over a period of time which may or may not be that to which HH Charges relate;
"Total System Chargeable NHH Demand"	the total of all half-hourly metered Demands for which NHH Charges are paid, taken over a period of time which may or may not be that to which NHH Charges relate.
"Trading Party"	as defined in the Balancing and Settlement Code ;
"Trading Unit"	as defined in the Balancing and Settlement Code ;
"Transfer Date"	"24.00" hours on 30th March 1990;
"Transfer Scheme"	schemes made under sections 65 and 66 of the Act and effected on the Transfer Date ;
"Transmission"	means, when used in conjunction with another term relating to equipment, whether defined or not, that the associated term is to be read as being part of or directly associated with the National Electricity Transmission System and not of or with the User System ;
"Transmission Business"	the authorised business of The Company or any Affiliate or Related Undertaking in the planning, development, construction and maintenance of the National Electricity Transmission System (whether or not pursuant to directions of the Secretary of State made under section 34 or 35 of the Act) and the operation of such system for the transmission of electricity, including any business in providing connections to the National Electricity Transmission System but shall not include (i) any other Separate Business or (ii) any other business (not being a Separate Business) of The Company or any Affiliate or Related Undertaking in the provision of services to or on behalf of any one or more persons;
"Transmission Charging Methodology Forum"	the charging methodology forum (and related arrangements) established to facilitate meetings between The Company and any other persons whose interests are materially affected by the applicable Charging Methodologies for the purpose of discussing the further development of the applicable Charging Methodologies ;
"Transmission Circuits"	as defined in the NETS SQSS ;

"Transmission Connection Assets"	the Transmission Plant and Transmission Apparatus necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in Appendix A to the Bilateral Connection Agreement relating to each such Connection Site ;
"Transmission Connection Asset Works"	in relation to a particular User , as defined in its Construction Agreement ;
"Transmission Entry Capacity"	the figure specified as such as set out in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
"Transmission Interface Point"	as defined in the Grid Code in the context of a Construction Agreement means the electrical point of connection between the Offshore Transmission System and an Onshore Transmission System as set out in the Offshore Works Assumptions .
"Transmission Interface Site"	the site at which the Transmission Interface Point is located;
"Transmission Licence"	the licence granted to The Company under section 6(1)(b) of the Act ;
"Transmission Licences"	the licences granted to The Company , SP Transmission Limited and Scottish Hydro Electric Transmission Limited under the Act ;
"Transmission Network Services"	as defined in the Transmission Licence ;
"Transmission Licensees Assets"	The Plant and Apparatus owned by Transmission Licensees necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in [Appendix A] to the Bilateral Agreement relating to each such Connection Site;
"Transmission Network Use of System Charges"	the element of Use of System Charges payable in respect of Transmission Network Services (including for the avoidance of doubt Transmission Network Use of System Demand Reconciliation Charges and ET Use of System Charges);
"Transmission Network Use of System Demand Charges"	that element of Transmission Network Use of System Charges relating to Demand ;
"Transmission Network Use of System Demand Zone"	each of the zones identified by The Company in the Charging Statements for charging of Transmission Network Use of System Charges in relation to Demand ;
"Transmission Network Use of System Demand Reconciliation"	sums payable by the User to The Company under invoices issued

Charges"	to the User pursuant to Paragraph 3.12.7;
"Transmission Owner Activity"	The Function of the Transmission Licensees' Transmission Business as defined in the Transmission Licences;
"Transmission Related Agreement"	an agreement between The Company and a User substantially in the form of Schedule 2 Exhibit 5;
"Transmission Services Activity"	as defined in the Transmission Licence ;
"Transmission Services Use of System Charges"	the element of Use of System Charges payable in respect of the Transmission Services Activity ;
"Transmission Reinforcement Works"	in relation to a particular User , as defined in its Construction Agreement or BELLA as appropriate;
"Transmission Voltage"	In Scotland voltages of 132kV and above; in England and Wales voltages above 132kV – usually 275kV and 400kV;
"Transmission Works Register"	the register set up by The Company pursuant to Paragraph 6.36.1;
"Transmission Works"	in relation to a particular User , those works which are specified in Appendix H or identified as OTSDUW in to the relevant Construction Agreement ;
"Triad"	is used as a short hand way to describe the three Settlement Periods of highest transmission systems Demand , namely the half hour Settlement Period of system peak Demand and the two half hour Settlement Periods of next highest Demand , which are separated from the system peak Demand and from each other by at least 10 Clear Days , between November to February inclusive;
"Trigger Date"	as identified by The Company in accordance with Part Two of the User Commitment Methodology and in relation to a particular User as defined in its Construction Agreement ;
Unacceptable Operating Condition	a failure of Plant and Apparatus forming part of the National Electricity System Transmission System that results in the following effect at the Connection Site : <ul style="list-style-type: none"> i) the loss of one or more phases causing an energy unbalance (Grid Code CC6.1.6); ii) frequency being outside the ranges listed in Grid Code CC6.1.3; iii) voltages being outside values stated in Grid Code CC6.1.4; iv) loss of synchronising signal to an Export BMU Unit;
"Undertaking"	as defined in section 259 of the Companies Act 1985;

"Unsecured Credit Cover"	the maximum amount of unsecured credit available to each User for the purposes of Part III of Section 3 of the CUSC at any time which shall be a sum equal to 2% of the The Company Prescribed Level in the relevant Financial Year ;
"Unusual Load Characteristics"	loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and industrial loads (including loads which vary considerably in duration or magnitude);
"Urgent CUSC Modification Proposal"	an CUSC Modification Proposal treated or to be treated as an Urgent CUSC Modification Proposal in accordance with Paragraph 8.24;
"Use of System"	use of the National Electricity Transmission System for the transport of electricity by any Authorised Electricity Operator or Interconnector User or Interconnector Error Administrator ;
"Use of System Application"	an application for a Bilateral Embedded Generation Agreement or for Use of System in the form or substantially in the form set out in Exhibit D or F to the CUSC as appropriate;
"Use of System Charges"	charges made or levied or to be made or levied by The Company for the provision of services as part of the Transmission Business to any Authorised Electricity Operator as more fully described at Standard Condition C4 and C5 of the Transmission Licence and in the Bilateral Agreements and Section 3 and Section 9 Part II and as amended in accordance with Standard Condition C13 of the Transmission Licence but shall not include Connection Charges ;
"Use of System Charging Methodology"	as defined in the Transmission Licence and set out in Section 14;
"Use of System Interconnector Confirmation Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator ;
"Use of System Interconnector Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator , in the form set out in Exhibit H to the CUSC ;
"Use of System Interconnector Offer Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company offers an Interconnector User or an Interconnector Error Administrator use of the National Electricity Transmission System ;
"Use of System Offer"	an offer (or in the case of a use of system generation offer and where appropriate, offers) made by The Company to a User pursuant to Paragraph 3.7 or 9.19 substantially in the form of

Exhibit G (**Use of System Supply Offer**) or Exhibit E (**Use of System Generation Offer**) or Exhibit H (**Use of System Interconnector Offer**) to the **CUSC**;

"Use of System Payment Date"	the date for payment of Use of System Charges ;
"Use of System Supply Confirmation Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by a Supplier ;
"Use of System Supply Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by a Supplier , in the form set out in Exhibit G to the CUSC ;
"Use of System Supply Offer Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company offers a Supplier use of the National Electricity Transmission System ;
"Use of System Termination Notice"	the notice to be given to terminate Use of System by a Supplier or an Interconnector User , or an Interconnector Error Administrator in accordance with the CUSC ;
"User"	a person who is a party to the CUSC Framework Agreement other than The Company ;
"User Commitment Methodology"	the methodology and principles applied by The Company in the application and calculation of the Cancellation Charge and Cancellation Charge Secured Amount such principles being set out in CUSC Section 15;
"User Development"	shall have the meaning set out in the Connection Application or the Use of System Application as the case may be;
"User's Allowed Credit"	that proportion of the Unsecured Credit Cover extended to a User by The Company as calculated in accordance with Paragraph 3.26;
"User Emergency Deenergisation"	the Deenergisation of the User's Equipment or equipment for which that User is responsible (as defined in Section K of the Balancing and Settlement Code) by a User pursuant to CUSC Paragraph 5.2.2 or by automatic means as a direct consequence of an Unacceptable Operating Condition ;
"User's Equipment"	the Plant and Apparatus owned by a User (ascertained in the absence of agreement to the contrary by reference to the rules set out in Paragraph 2.12) which: (a) is connected to (or in the case of OTSDUW Build will, at the OTSUA Transfer Time , be connected to) the Transmission Connection Assets forming part of the National Electricity Transmission System at any particular Connection Site to which that User wishes so to connect, or (b) is connected to a Distribution System to which that User wishes so

to connect but excluding for the avoidance of doubt any **OTSUA**;

"User's Licence"

a **User's** licence to carry on its business granted pursuant to Section 6 of the **Act**;

"User System"

any system owned or operated by a **User** comprising **Generating Units** and/or **Distribution Systems** (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other than a **Public Distribution System Operator** and **Plant** and/or **Apparatus** (including in the case of **OTSDUW Build**, any **OTSUA** prior to the **OTSUA Transfer Time**) connecting **Generating Units**, **Distribution Systems** (and/or other systems consisting wholly or mainly of electric lines which are owned or operated by a person other than a **Public Distribution System Operator** or **Non-Embedded Customers** to the **National Electricity Transmission System** or (except in the case of **Non-Embedded Customers**) to the relevant other **User System**, as the case may be, including any **Remote Transmission Assets** operated by such **User** or other person and any **Plant** and/or **Apparatus** and meters owned or operated by such **User** or other person in connection with the distribution of electricity but does not include any part of the **National Electricity Transmission System**;

"Utilities Act 2000"

Electricity Act 1989, as amended by the Utilities Act 2000;

"Valid"

valid for payment to be made thereunder against delivery of a **Notice of Drawing** given within the period stated therein;

"Value Added Tax"

United Kingdom value added tax or any tax supplementing or replacing the same;

"Value At Risk Amendment"

the **Proposed Amendment** in respect of **Amendment Proposal 127**;

"Value At Risk Amendment Implementation Date"

the **Implementation Date** of the **Value At Risk Amendment**;

"Value At Risk Amendment Implementation End Date"

the date one year following the **Value At Risk Amendment Implementation Date**;

"Voting Group"

as defined in Paragraph 8A.3.1.2;

"Website"

the site established by **The Company** on the World-Wide Web for the exchange of information among **CUSC Parties** and other interested persons in accordance with such restrictions on access as may be determined from time to time by **The Company**;

"Week"

means a period of seven **Calendar Days** commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next

	following Monday;
"Weekly Maximum Generation Declaration"	has the meaning attributed to it in Paragraph 4.2.3.1;
"Wider Cancellation Charge"	a component of the Cancellation Charge that applies on and after the Trigger Date as more particularly described in Part Two of the User Commitment Methodology ;
"Wider Transmission Reinforcement Works"	in relation to a particular User means those Transmission Reinforcement Works other than the Enabling Works and which are specified in the relevant Construction Agreement ;
"Workgroup"	a Workgroup established by the CUSC Modifications Panel pursuant to Paragraph 8.20.1;
"Workgroup Consultation"	as defined in Paragraph 8.20.10, and any further consultation which may be directed by the CUSC Modifications Panel pursuant to Paragraph 8.20.17;
"Workgroup Consultation Alternative Request"	any request from a CUSC Party , a BSC Party the Citizens Advice or the Citizens Advice Scotland for a Workgroup Alternative CUSC Modification to be developed by the Workgroup expressed as such and which contains the information referred to at Paragraph 8.20.13. For the avoidance of doubt any WG Consultation Alternative Request does not constitute either a CUSC Modification Proposal or a Workgroup Alternative CUSC Modification ;
"Workgroup Alternative CUSC Modification"	an alternative modification to the CUSC Modification Proposal developed by the Workgroup under the Workgroup terms of reference (either as a result of a Workgroup Consultation or otherwise) and which is believed by a majority of the members of the Workgroup or by the chairman of the Workgroup to better facilitate the Applicable CUSC Objectives than the CUSC Modification Proposal or the current version of the CUSC .

ANNEX 1 – INTERPRETATION AND DEFINITIONS

Insert the following new definitions in alphabetical order:

“Authority Led CUSC Modification”	a proposal to modify the CUSC which directly arises from a Significant Code Review and where the process of the modification is led by the Authority in accordance with its SCR Guidance ;
“Authority Led CUSC Modification Proposal”	a proposal for an Authority Led CUSC Modification which has been submitted pursuant to and in accordance with Section 8 Paragraph 8.17B;
“Authority Led CUSC Modification Report”	means, in relation to an Authority Led CUSC Modification Proposal, the report prepared pursuant to and in accordance with Section 8 Paragraph 8.17B.2;
“Backstop Direction”	has the meaning given to it in Section 8 Paragraph 8.17C;
“SCR Guidance”	means, any document of that title created, published as amended from time to time, by the Authority to provide guidance to interested parties on the conduct of a Significant Code Review by

the Authority;

END OF SECTION 11