CUSC - SECTION 11

INTERPRETATION AND DEFINITIONS

CONTENTS

- 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:

(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

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**;

"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 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 Works Capital Cost"

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"

defined **Transmission** in the as 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 the element of Use of System Charges payable in respect of the System Charges" **Balancing Services Activity**; "Balancing Services Use of The Company's estimate of the average expected Balancing **System Charges Forecast** Services Use of System Charges for each month in the Current Information" Financial Year and each month of the following Financial Year. "Balancing Services Use of as defined in Paragraph 3.15.1; **System Reconciliation** Statement" "Bank Account" 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: 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 b) such bank account as the User may specify; "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;

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

"Bid"

"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** an agreement entered into pursuant to Paragraph 1.3.1 a form of which is set out in Exhibit 1 to Schedule 2: Agreement" "Bilateral Embedded an agreement entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 2 to Schedule 2: **Generation Agreement**" "Bilateral Embedded Licence an agreement in respect of an Embedded Exemptable Large exemptable Large power Power Station entered into pursuant to Paragraph 1.3.1, a form of station Agreement" or which is set out in Exhibit 5 to Schedule 2: "BELLA" "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** as defined in the Balancing and Settlement Code; System" "British Grid Systems the agreement made on 30 March 1990 of that name between The Agreement" **Company**, Scottish Hydro Electric plc, and Scottish Power plc;

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

"BSC Agent"

"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 o

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:

(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:** "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 any person with whom the CM Settlement Body has entered into a Provider" contract to provide services to it in relation to the performance of its functions under the Capacity Market Documents; "Code Administration Code of the code of practice approved by the **Authority** and: Practice" (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" "Connect and Manage Derogation Report" the criteria detailed as such in **CUSC** Section 13.2.4;

"Connect and Manage Implementation Date"

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 Power Station"

means the date which the Secretary of State determines shall be the connect and manage implementation date;

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
- 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 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:

(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 the portion of the Grid Code which is identified as the Data

"Data Registration Code" or "DRC"

DRC" Registration Code;

"DCLF" Direct Current Load Flow;

"Deemed HH Forecasting the sum of

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 Customer" A large, usually industrial, consumer of electricity who is directly connected to the **National Electricity Transmission System**;

"Disconnect" or "Disconnection"

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:

- (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:
- (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;
- (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);

"Dispute Resolution Procedure"

the procedures set out in Section 7;

"Dispute Statement"

as defined in Paragraph 3.15.4;

"Distributed Generation"

means for the purposes of the **Connect and Manage Arrangements,** Section 6 and Section 15 of the **CUSC**:

- (a) an **Embedded Power Station** which is the subject of a **Bilateral Embedded Generation Agreement**;
- (b) an Embedded Power Station which is the subject of a Bilateral Embedded Licence Exemptable Large Power Station Agreement;
- (c) a Relevant Embedded Medium Power Station;
- (d) a Relevant Embedded Small Power Station.

"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;

"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

Association' is defined in the **Grid Code**;

means Regulation 2009/714/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network

"Electricity Regulation"

Arbitration

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"

a direct connection to a **Distribution System** or the **System** of any other **User** to which **Customers** and/or **Power Stations** are connected;

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**);

"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 Deeenergised 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 = 1 MWh

1000 MWh = 1GWh

1000 GWh = 1 TWh;

"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"

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:

- 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
- b) such bank account as the **User** may specify;

"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:
 - (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 Work 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 Related VAR "

the sum of HH Forecasting Performance Related VAR and NHH 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;

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;

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

"Generation Capacity"

"Gas Turbine Unit"

Statement"

as defined in Paragraph 3.12.2;

"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;

"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:

- (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;

"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 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" "Interim Panel and Alternate as defined in the **Grid Code**;

"Interruption"

Election process"

As defined in Paragraph 8A.4.3.2

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**

 $\sum_{i=b}^{i=n} Maximum(\textbf{Average daily £ per MW rate}_{i}, \textbf{Actual daily £ per MW rate}_{i})*\textbf{Affected MW}_{i}$

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

 $\sum_{i=k}^{i=n} Average daily £ per MW rate_i *MW specified as the$

Transmission Entry Capacity for the Connection Site

where:

i = calendar days

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

 $\mbox{\bf n} = \mbox{\bf number}$ of complete or part complete calendar days of a $\mbox{\bf Relevant Interruption}$

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**

$$j=p$$

$$\sum \qquad \text{System Buy Price}_{j} *0.5 * \text{Affected MW}_{j}$$
 $j=1$

Plus (if applicable)

$$j = m$$

$$\sum_{j=0}^{\infty} Market Price_{j} *0.5 * Affected MW_{j}$$
 $j=4$

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

Plus (if applicable)

$$j=m$$

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

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**

$$j = p$$

$$\sum \qquad \text{System Buy Price}_{j} *0.5 * \text{Affected MW}_{j}$$

$$j = 1$$

Plus (if applicable)

$$\begin{array}{ll} j = m \\ \sum & \text{Market Price}_{j} \ ^*\! 0.5 \ ^*\! \text{ Affected MW}_{j} \\ j = 4 \end{array}$$

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

$$j = p$$

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

Plus (if applicable)

$$\sum_{i=4}^{j=m} \mathbf{Market Price}_{j} * 0.5 * \mathbf{MW specified as the Transmission}$$

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.

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

"Interruption Period"

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 Denergisation** 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"

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),

- (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**;
- (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)**;

"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.

- (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"

- (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;
- (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;

"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 means, as between The Company and a User, the BM Units, Unit" specified in the **Maximum Generation Service Agreement**; "Maximum Generation Energy the amount (£/MWh) set out in the **Maximum Generation Service** Fee" Agreement as the same may be revised from time to time in accordance with Paragraph 4.2.5; "Maximum Generation Energy has the meaning attributed to it in Paragraph 4.2.5.1; Payment" **"Maximum Generation** has the meaning attributed to it in Paragraph 4.2.4.1; Instruction" "Maximum Generation has the meaning attributed to it in Paragraph 4.2.3.3; Redeclaration" "Maximum Generation Service an agreement between The Company and a User specifying, amongst other things, the BM Units and the Maximum Generation Agreement" **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_{ii}) of the Trading Unit

during the three Settlement Periods of the Triad expressed as a

positive number (i.e. $\sum QM_{ii}$.);

"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 Fix Attributable Wor Cancellation Charge"

Fixed 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"

"Notification of ET Restrictions 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

a **System** used (or to be used) for the purposes of **Offshore Transmission** and for which there is (or where the **OTSDUW**

System" Arrangements apply, will be) an Offshore Transmission Licensee: in relation to a particular **User** where the **OTSDUW Arrangements** "Offshore Transmission apply means those activities and/or works to be undertaken by the **System Development User** User as identified in Part 2 of Appendix I of the relevant Works" or "OTSDUW" **Construction Agreement**; "Offshore Transmission in relation to a particular User, any Plant and Apparatus resulting System User Assets" or from OTSDUW Build which form the Offshore Transmission "OTSUA" **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: the part of the National Electricity Transmission System which is **Onshore Transmission System** 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 in relation to a particular User, as defined in its Construction **Reinforcement Works**" 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:

- 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:

- 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:

a person appointed as such in accordance with Paragraph 8.3.1(c);

"Panel Secretary"

as defined in **Grid Code** CC 8.1;

"Part 1 System Ancillary Services"

"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:

(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 Myar 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:

- (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"

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:

The higher of:

- A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system Transmission Entry Capacity, in each case using figures for the Financial Year prior to that in which the System to Generator Operational Intertripping Scheme trips, this is then divided by 365 to give a daily £ per MW rate; or
- 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.

A or B are then multiplied by:

the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the Restricted MW Export Level;

"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"

the general index of retail prices published by the Office for National Statistics each month in respect of all items or:

- (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 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 as defined in the Grid Code;

Standard"

"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 Phase"

the period

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 Charge"

the element of the **Connection Charges** relating to maintenance 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 a Medium Power Station; Plant"

"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:

- (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 (QMii) expressed as a positive

number (i.e. ΣQM_{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. Σ 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;

"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 Po

"Temporary TEC Exchange Notification of Interest Form"

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

"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;

Ū

"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:-

- (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 Timetable

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 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

the total of all half-hourly metered **Demands** for which **HH Charges**

Demand"

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 in relation to a particular User, as defined in its Construction Asset Works" 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 as defined in the **Transmission Licence**: Services" "Transmission Licensees The Plant and Apparatus owned by Transmission Licensees necessary to connect the User's Equipment to the National Assets" 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 the element of Use of System Charges payable in respect of Transmission Network Services (including for the avoidance of System Charges" doubt Transmission Network Use of System Demand Reconciliation Charges and ET Use of System Charges); "Transmission Network Use of that element of Transmission Network Use of System Charges **System Demand Charges**" relating to **Demand**; "Transmission Network Use of each of the zones identified by The Company in the Charging Statements for charging of Transmission Network Use of System Demand Zone" System Charges in relation to Demand; "Transmission Network Use of sums payable by the **User** to **The Company** under invoices issued **System Demand Reconciliation** to the **User** pursuant to Paragraph 3.12.7; Charges" "Transmission Owner Activity" The Function of the Transmission Licensees' Transmission Business as defined in the Transmission Licences: "Transmission Related an agreement between The Company and a User substantially in Agreement" the form of Schedule 2 Exhibit 5: "Transmission Services as defined in the **Transmission Licence**: Activity" "Transmission Services Use of the element of Use of System Charges payable in respect of the **Transmission Services Activity**; System Charges" "Transmission Reinforcement in relation to a particular User, as defined in its Construction Works" **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 the register set up by **The Company** pursuant to Paragraph 6.36.1; Register" "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**; a failure of Plant and Apparatus forming part of the National **Unacceptable Operating** Condition Electricity System Transmission System that results in the following effect at the Connection Site: 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

"Unusual Load

Level in the relevant Financial Year:

which shall be a sum equal to 2% of the The Company Prescribed

loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and

Characteristics"

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

the part of the Use of System Supply Offer and Confirmation

Confirmation Notice"

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"

"Valid"

"Value Added Tax"

"Value At Risk Amendment"

"Value At Risk Amendment Implementation Date"

"Value At Risk Amendment Implementation End Date"

"Website"

"Week"

"Weekly Maximum Generation Declaration"

"Wider Cancellation Charge"

"Wider Transmission

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

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

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

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

the Implementation Date of the Value At Risk Amendment;

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

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**;

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;

has the meaning attributed to it in Paragraph 4.2.3.1;

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**;

in relation to a particular **User** means those **Transmission**

Reinforcement Works"

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 Cl	USC
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