

**VERSION FOR INDUSTRY
CONSULTATION**

Responses should be sent to
Stephanie Stewart@uk.ngrid.com
on or before
16th June 2008

PROPOSED AMENDMENT REPORT

STC Proposed Amendment CA029

**Investigation of a Relevant Interruption of a User and
Interruption Payment obligations associated with such an
interruption.**

*The purpose of this report is to assist the Authority
in their decision of whether to implement
Amendment Proposal CA029*

Amendment Ref	CA029
Issue	1.0
Date of Issue	2 nd June 2008
Prepared by	STC Committee

I DOCUMENT CONTROL**a STC Document Control**

Version	Date	Author	Change Reference
0.1	21/05/08	STC Committee	Draft for STC Committee
1.0	02/06/08	STC Committee	Draft for Industry Consultation

b Document Location

National Grid Website:

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

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
STC Parties	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	

II CONTENTS TABLE

I	DOCUMENT CONTROL	2
	a STC Document Control.....	2
	b Document Location.....	2
	c Distribution.....	2
II	CONTENTS TABLE	3
1.0	SUMMARY AND RECOMMENDATION.....	4
2.0	PURPOSE AND INTRODUCTION	4
3.0	THE PROPOSED AMENDMENT	5
4.0	ALTERNATIVE AMENDMENTS	5
5.0	EVALUATION PHASE	5
6.0	STC PARTIES' ASSESSMENTS	6
7.0	IMPACT ON THE STC	6
8.0	IMPACT ON CORE INDUSTRY DOCUMENTS	7
9.0	STC COMMITTEE VIEWS AND RECOMMENDATION	7
10.0	IMPLEMENTATION AND TIMESCALES	7
11.0	INDUSTRY VIEWS AND REPRESENTATIONS	7
	ANNEX 1 - AMENDMENT PROPOSAL FORM	8
	ANNEX 2 – PROPOSED TEXT TO AMEND THE STC.....	10
	ANNEX 3 - COPIES OF COMMENTS RECEIVED ON THE PROPOSED AMENDMENT REPORT	17

1.0 SUMMARY AND RECOMMENDATION

- 1.1 STC Amendment Proposal CA029 proposes to amend Sections C, E, J and Schedule 10 of the STC to enable the cause of certain User interruptions to be investigated, reported on and where applicable, consequential Interruption Payments to be made by the relevant Transmission Owner to National Grid Electricity Transmission plc ("National Grid") such that National Grid may pay the necessary Interruption Payment to the User in accordance with the provisions of the CUSC.
- 1.2 Amendment Proposal CA029 was proposed by National Grid and submitted for consideration to the STC Committee Meeting on Tuesday, 18th March 2008. The STC Committee recommended that it proceed to the Evaluation Phase for a period of two months before progressing to the Assessment and Report Phase.

STC Committee Provisional Recommendation

- 1.3 The STC Committee provisionally recommends that CA029 be approved for implementation.
- 1.4 Should the Authority approve CA029, the STC Committee provisionally recommends that the STC be modified 5 business days after the Authority's decision.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Proposed Amendment Report has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code.
- 2.2 On 1st April 2004, CUSC Amendment CAP048 was implemented to provide a mechanism such that, if a User in England and Wales were to be interrupted and it was the Transmission System that was the cause of the interruption, then National Grid would investigate the incident and make an interruption payment to the User. When BETTA went live in April 2005, the provisions were extended to both SPT's and SHETL's Transmission Areas. However, there was no mechanism incorporated in the STC which would enable the relevant Scottish Transmission Owner to provide the appropriate monetary sums to National Grid equivalent to the sum to be paid to the relevant User, in the event of a fault on the Scottish Transmission Systems causing a CAP048 interruption.
- 2.3 On 1st April 2008 the Electricity Transmission Licences were modified to enable funding of compensation payments for the temporary physical disconnection of generators.
- 2.4 This proposed amendment to the STC is to enable the investigation and reporting of such an incident to determine which Transmission System was the cause of such an interruption. If either of the two Scottish Transmission Systems are found to be the cause of such an interruption, then the proposed amendment provides a mechanism to enable the relevant payments to be made, by the relevant Transmission Owner to National Grid, which are reflective of the compensation payment made by National Grid to the generator in accordance with the existing CUSC provisions.

- 2.3 Further to the submission of Amendment Proposal CA029 (see Annex 1), this document is addressed and furnished to persons who have a relevant interest in the Proposed Amendment and invites views upon Amendment Proposal CA029.
- 2.4 This document outlines the nature of the STC changes that are proposed. It incorporates the STC Committee's provisional recommendation concerning the Amendment.
- 2.5 This Proposed Amendment Report has been prepared in accordance with the terms of the STC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/>.

3.0 THE PROPOSED AMENDMENT

- 3.1 The amendment CA029 was proposed by National Grid such that if a generator was interrupted, then there would be a process to identify the Transmission System which caused the fault and a mechanism for National Grid to be paid the relevant compensation payment which in turn would be passed on to the relevant generator in accordance with the relevant CUSC provisions.
- 3.2 The STC already contains an existing process for Event Reporting and Joint Investigations. It is proposed that this process is extended to include reporting and investigating certain generator interruptions to determine whether a generator interruption has been caused by a fault on the Scottish Transmission System and to determine, where appropriate, how long the interruption period was.
- 3.3 The calculation of the interruption payment that the relevant Scottish Transmission Owner would be obliged to pay National Grid, would be determined in accordance with Schedule Ten of the STC. It is proposed to amend Section E - Billing and Payment and Schedule Ten - Charges, to introduce a new NGET Charge that the relevant Transmission Owner would pay NGET in respect of such interruption payments.
- 3.4 National Grid would then be obliged to pass this payment to the relevant generator in accordance with the existing provisions in the CUSC.

4.0 ALTERNATIVE AMENDMENTS

- 4.1 No Alternative Amendments to CA029 were submitted.

5.0 EVALUATION PHASE

- 5.1 The STC Committee considered that that CA029 should be referred to the Evaluation Phase, and therefore commissioned a working group to review and develop legal text for the proposal. The working group had one telephone conference on 7th May 2008.
- 5.2 The working group agreed that following the implementation of the Transmission Licence changes, there was an acceptable mechanism in place which allowed cost pass through of interruption payments to a generator should any of the Transmission Owners be at fault.

- 5.3 The obligation to pay the relevant generator was already codified in the CUSC for National Grid to pay the relevant generator, and it was agreed that if either of the Scottish Transmission Systems were at fault for such an interruption, then the STC required amending to investigate such an incident and allow payment from the relevant Scottish Transmission Owner to National Grid, in order that National Grid could pay the generator.
- 5.4 Following a final review of the legal text, the Evaluation Phase was concluded on 20th May 2008 and the working group recommended to the STC Committee that the proposed CA029 amendment with the attached legal text should be put forward.
- 5.5 The working group also identified that in event of CA029 being approved by the Authority, it would necessitate consequential changes to the relevant STCP(s).
- 5.6 The final proposed legal text to give effect to Amendment Proposal CA029 is attached as Annex 2 of this document.

6.0 STC PARTIES' ASSESSMENTS

- 6.1 This section sets out the analysis and impact assessment ("Assessment") provided by STC Parties during the Assessment and Report Phase in respect of the Proposed Amendment, in accordance with Section B, Paragraph 7.2.5.2 of the STC.

National Grid Assessment

- 6.2 National Grid is supportive of Amendment Proposal CA029, and has carried out an Assessment on the Proposed Amendment.
- 6.3 The implementation of CA029 would not have any physical impact on National Grid's Transmission System or require changes to IS systems. No additional works or monies would be required to implement the proposed change.
- 6.4 The proposal will ensure that the CUSC and Licence provisions are adequately reflected in the STC. The implementation of CA029 would ensure that National Grid (in their role as the primarily User interface) is not exposed to additional liabilities caused by faults on the Scottish Transmission System.

Scottish Hydro-Electric Transmission Limited ("SHETL") Assessment

6.5

Scottish Power Transmission Limited ("SPTL") Assessment

6.6

7.0 IMPACT ON THE STC

- 7.1 Section C - Transmission Services and Operations already has a process in for Event Reporting and Joint Investigations. It is proposed that this process is extended to include reporting and investigating generator interruptions.

- 7.2 It is proposed to amend Section E - Billing and Payment and Schedule Ten - Charges to introduce a new NGET Charge in respect of such interruption payments. The introduction of such a charge would ensure that National Grid remains cost neutral as described in Section 5 above.
- 7.3 To allow for the amendments described above, it is also proposed to include new definitions in Section J – Interpretations and Definitions.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

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

9.0 STC COMMITTEE VIEWS AND RECOMMENDATION

- 9.1 The STC Committee believes that amendment of the STC on the basis on CA029, would better facilitate achievement of the applicable STC objectives, in particular applicable to STC objective (a) as it would enable the efficient discharge by the Transmission Owners of the obligations imposed upon them by their transmission licences and the Act.
- 9.2 The STC Committee believe that CA029 has a cost neutral environmental impact as it is purely an administrative process that is being proposed. The investigatory work which will be undertaken to determine whether a system fault is eligible for CAP048 compensation payments, would already be completed to investigate any significant incident on the relevant Transmission System. The operational actions taken by National Grid to secure the system from a significant incident of the Transmission System does not form part of this proposal and therefore has not been evaluated.
- 9.3 The STC Committee therefore provisionally recommends that the Authority should approve Amendment Proposal CA029 for implementation.

10.0 IMPLEMENTATION AND TIMESCALES

- 10.1 Should the Authority approve Amendment Proposal CA029, it is recommended that the STC be modified 5 business days after the Authority's decision

11.0 INDUSTRY VIEWS AND REPRESENTATIONS

- 11.1 Views are invited from industry parties upon the Proposed Amendment outlined in this Proposed Amendment Report.
- 11.2 Any representations received will be summarised in Section 11 of the Amendment Report submitted to the Authority (version 2.0 of this document), and will be reproduced in Annex 3.

Annex 1 - Amendment Proposal Form**STC Amendment Proposal Form****CA029****1. Title of Amendment Proposal**

Investigation of a Relevant Interruption of a User and Interruption Payment obligations associated with such an interruption.

Deleted: ¶

2. Description of the Proposed Amendment (mandatory field)

This proposed amendment seeks to ensure that there is an investigation and report process in place to enable parties to identify the cause of certain interruptions to User's that results in the User being disconnected from the GB Transmission System. In addition, it seeks to oblige the relevant Transmission Owner to make the necessary Interruption Payments to NGET, which NGET will in turn be obliged under the CUSC to make such Interruption Payments to the affected User.

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

The CUSC Amendment Proposal CAP048 (Temporary Physical Disconnection) was approved on 19 March 2004 and came into effect in England and Wales on 1 April 2004 and subsequently came into force in Scotland following implementation of BETTA on 1 April 2005. It established a compensation mechanism within the CUSC that requires NGET to compensate Users in the event that they are disconnected from the transmission network because of a planned or unplanned event on the transmission system. Where the disconnection is caused as a result of the failure of Plant or Apparatus forming part of the Transmission System.

On the 26th February 2008 the Authority issued a notice under section 11(2) of the Electricity Act 1989 to modify Special Condition D4 of NGET's licence, Special Condition J4 of SHETL licence and Special Condition J4 of SPTL licence. .

The STC therefore, needs to reflect the Transmission Licences to enable the investigation of such interruptions and the relevant payment flows from the Scottish Transmission Owners to NGET when the Scottish Transmission Owner's plant and apparatus (forming part of the GB transmission system) is at fault. NGET will be obliged to pay the affected User under the CUSC obligations.

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

Section C - Transmission Services and Operations, Part Three – Other - Inclusion of a mechanism to investigate and report on Interruption events ;

Section E – Billing and Payment - Addition of a new SO Charge to oblige the relevant TO to make a payment to NGET if it is determined that TO's plant and apparatus caused the Interruption;

Section J – Interpretation and Definitions - Inclusion of the new relevant definitions as a result of this amendment;

Schedule 10 – Description of the SO Charge payable as a result of such an interruption.

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

None

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

None

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

None

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

None

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

(a) efficient discharge of the obligations imposed upon the Transmission Licences and the Act.

Details of Proposer Organisation's Name	National Grid Electricity Transmission plc
<i>Capacity in which the Amendment is being proposed</i> (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
Details of Proposer's Representative Name Organisation Telephone Number Email Address	Bec Thornton National Grid Electricity Transmission plc 01926 656386 Bec.thornton@uk.ngrid.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	Emma Carr National Grid Electricity Transmission plc 01926 655843 Emma.carr@uk.ngrid.com
Attachments (Yes/No): Yes	

Notes:

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

The completed form should be returned to:

Bali Virk
STC Committee Secretary
Commercial Frameworks
National Grid Company plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

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

Annex 2 – Proposed Text to Amend the STC

Proposed Changes to Contents Pages

Amend the contents pages as follows:

SECTION E: PAYMENTS AND BILLING

1. Introduction
2. TO Charges
3. NGET Charges
4. Invoicing and Payment
5. Disputes
6. Interest on Late Payment

Formatted: Justified, Space After: 0 pt, Line spacing: single

Formatted: Font: Not Italic, No underline

Formatted: Justified, Space After: 0 pt, Line spacing: single

Deleted: 3

Deleted: 4

Deleted: 5

Proposed Changes to Section C: Transmission Services and Operations

Amend Section C of the STC as follows:

4. EVENT REPORTING AND JOINT INVESTIGATIONS

4.1. Notification of Events, Significant Incidents and Possible Relevant Interruptions by Transmission Owners

4.1.1 Each Transmission Owner shall, as soon as it becomes aware of any Event on its Transmission System which has had or may have an Operational Effect on the GB Transmission System or a User System, notify NGET (either verbally or in writing), as a matter of urgency, to the extent that such information is not otherwise provided to NGET pursuant to Section C, Part One, paragraphs 4.4, 4.5 or 4.6.

4.1.2 NGET shall, as soon as it becomes aware of any Event on the GB Transmission System or a User System which has had or may have an Operational Effect on a Transmission Owner's Transmission System, notify such Transmission Owner (either verbally or in writing) as a matter of urgency.

4.1.3 NGET shall, as soon as it becomes aware of any Event on the Transmission Owner's Transmission System which has led to a Possible Relevant Interruption of an Affected User, notify the relevant Transmission Owner(s) as a matter of urgency.

4.1.4 Each Party may (irrespective of whether or not it has received a notification under sub-paragraph 4.1.1 or 4.1.2), in its discretion, determine that an Event is a Significant Incident and request that, where relevant, NGET or any Transmission Owner(s) whose Transmission System(s) has been or may be affected by the Significant Incident prepare and submit a report in accordance with sub-paragraph 4.1.6.

Formatted: Font: Italic, Underline

Formatted: Font: Italic, Underline

Formatted: Normal, Level 1, Indent: Left: 0 cm, Hanging: 1.27 cm, Space After: 12 pt, Line spacing: At least 15 pt, Tabs: 1.27 cm, Left

Deleted: and

Deleted: 3

Deleted: 4

4.1.5 Following a notification described in sub-paragraph 4.1.3 NGET may request that the Transmission Owner(s) whose Transmission System(s) has been or may be the cause of the Possible Relevant Interruption of an Affected User prepare and submit a report in accordance with sub-paragraph 4.1.6.

4.1.6 Each Party (the "Responding Party") shall, if requested to do so by another Party (the "Requesting Party") pursuant to sub-paragraph 4.1.4 or 4.1.5, prepare and submit a written report to the Requesting Party as soon as reasonably practicable in relation to a Significant Incident or a Possible Relevant Interruption which shall include, without limitation, the following information:

Deleted: 4

Deleted: 3

4.1.6.1 _____ a description of the Significant Incident or the Possible Relevant Interruption (including, without limitation, any associated Services Reduction or Service Reduction Risk);

Deleted: 4

4.1.6.2 _____ the time and date of the Significant Incident or the Possible Relevant Interruption and the estimated Interruption Period of Possible Relevant Interruption;

Deleted: 4

4.1.6.3 _____ the location(s) of the Significant Incident or the Possible Relevant Interruption;

Deleted: 4

4.1.6.4 Plant and/or Apparatus directly involved (and not merely affected by the Event(s) giving rise to the Significant Incident or the Possible Relevant Interruption);

Deleted: 4

4.1.6.5 a response to any question(s) raised by the Requesting Party in relation to the Event or Significant Incident or the Possible Relevant Interruption; and

Deleted: 4

4.1.6.6 any other information reasonably requested by the Requesting Party in relation to the Event or Significant Incident or the Possible Relevant Interruption.

Deleted: 4

4.1.7 Each Party shall, where reasonably requested to do so by another Party, assist in answering any questions from or otherwise providing information (in the case of NGET) to a User or in the case of any Party, to any other Party, in relation to an Event or Significant Incident or the Possible Relevant Interruption on such Transmission Owner's Transmission System.

Deleted: 5

4.1.8 If an Affected User has exercised its rights pursuant to paragraph 5.10 of the CUSC NGET and the relevant Transmission Owner will agree whether or not they consider, on the basis of the report submitted under sub-paragraph 4.1.6, that a Possible Relevant Interruption has occurred and the Interruption Period. In the event that the relevant Transmission Owner and NGET do not agree the relevant Transmission Owner or NGET may refer any such failure to agree to arbitration in accordance with Paragraph 5 of Section H.

4.1.9 Where NGET and the relevant Transmission Owner agree pursuant to paragraph 4.1.8, or if determined in accordance with Paragraph 5 of Section H, a Possible

Formatted: Font color: Gray-25%

Relevant Interruption will be treated as a Relevant Interruption.4.2.

Joint

Deleted: ¶

Investigations

4.2.1 Where a Significant Incident or a Possible Relevant Interruption has occurred and a written report has been submitted to a Requesting Party under sub-paragraph 4.1.4, or 4.1.5 such Requesting Party, or any Party which has submitted a written report in relation to such Significant Incident or Possible Relevant Interruption, may request in writing to the other, and to any other Party which has been or is likely to be affected by the Significant Incident or Possible Relevant Interruption, that a Joint Investigation be conducted (all Parties participating in a Joint Investigation are referred to collectively as the "**Investigation Parties**").

Formatted: Justified, Space After: 12 pt, Line spacing: At least 15 pt

Deleted: 3

4.2.2 As soon as reasonably practicable following a request under sub-paragraph 4.2.1, the Investigation Parties shall endeavour to agree whether to undertake a Joint Investigation and any matters related to the conduct of such Joint Investigation and which may include, without limitation:

4.2.2.1 where requested by NGET, the involvement of any User(s) or other person(s);

4.2.2.2 whether the Joint Investigation should also deal with any Related Significant Incidents or Possible Relevant Interruptions;

4.2.2.3 the form and rules of and procedure for conducting the Joint Investigation;

4.2.2.4 provision for dealing with the costs of the Joint Investigation; and

4.2.2.5 provision for the withdrawal of an Investigation Party or other person involved in the Joint Investigation.

Formatted: Justified, Indent: Left: 2.54 cm, Space After: 12 pt, Line spacing: At least 15 pt

Formatted: Justified, Space After: 12 pt, Line spacing: At least 15 pt

4.2.3 For the avoidance of doubt:

4.2.3.1 a Joint Investigation shall not be conducted unless the Investigation Parties have reached agreement pursuant to sub-paragraph 4.2.2; and

4.2.3.2 a Joint Investigation shall not constitute, and shall remain separate from, any Dispute otherwise arising pursuant to Section H.

Formatted: Justified, Space After: 12 pt, Line spacing: At least 15 pt, Outline numbered + Level: 4 + Numbering Style: 1, 2, 3, ... + Start at: 2 + Alignment: Left + Aligned at: 2.54 cm + Tab after: 3.81 cm + Indent at: 3.81 cm

Proposed Changes to Section E: Billing and Payment**Formatted:** Font: Italic, Underline

Amend Section E of the STC as follows:

Formatted: Font: Italic, Underline**1. INTRODUCTION**

1.1 This Section E sets out:

1.1.1 the constituent parts of TO Charges that are payable by NGET to Transmission Owners and the constituent parts of the NGET Charges that are payable by Transmission Owners to NGET (the detailed description and method of calculation of which are set out in Schedule Ten and the Transmission Licences of the relevant Parties);

1.1.2 the invoicing and payment arrangements for TO Charges, NGET Charges and other payments payable by Parties under the Code or a TO Construction Agreement, including the dates upon which such payments fall due;

1.1.3 arrangements for dealing with disputes regarding TO Charges, NGET Charges and other amounts payable under the Code or a TO Construction Agreement; and

1.1.4 provisions in relation to the payment of interest on late payments and rights of dispute in relation to payments and otherwise pursuant under this Section E.

2. TO CHARGES

2.1 NGET shall pay to Transmission Owners TO Charges comprising the following:

2.1.1 charges specified in Part One of Schedule Ten (referred to as "**TO General System Charges**"); and

2.1.2 charges specified in Part Two of Schedule Ten (referred to as "**TO Site-Specific Charges**").

2.2 Each Transmission Owner shall determine its TO General System Charges in accordance with Part One of Schedule Ten.

2.3 Each Transmission Owner shall determine its TO Site-Specific Charges in accordance with Part Two of Schedule Ten.

3. NGET CHARGES**Formatted:** Font: 10 pt, Bold**Formatted:** Font: 10 pt, Bold

3.1 Each Transmission Owner shall pay to NGET the NGET Charges specified in Part Four of Schedule Ten.

3.2 NGET shall determine the NGET Charges in accordance with Part Four of Schedule Ten.

Deleted:

4. INVOICING AND PAYMENT

4.1 Each Party entitled to receive payment under this Code or a TO Construction Agreement, ("Receiving Party"), shall invoice the Party required to make such payment to the Receiving Party ("Paying Party") in accordance with the provisions of this Section E, unless otherwise specified in this Code, or such TO Construction Agreement or agreed between the Receiving Party and the Paying Party.

- Deleted: 3
- Formatted: Font color: Red
- Deleted: 3
- Formatted: Font color: Red
- Deleted: including, for the avoidance of doubt, a Transmission Owner entitled to receive TO Charges

4.2 Other than in respect of TO Charges, the arrangements in relation to which are set out in paragraph 4.3 below, a Receiving Party shall despatch an invoice to the relevant Paying Party; 4.2.1 not less than thirty days prior to the due date for payment where such due date is specified or otherwise agreed between the Receiving Party and Paying Party; or

- Deleted: 3
- Deleted: 3
- Deleted: ¶
- Formatted: Font color: Red
- Deleted: 3

4.2.2 not less than thirty days after the date on which such payment accrued, where such due date is not specified or otherwise agreed between the Receiving Party and Paying Party,

- Formatted: Font color: Red
- Deleted: 3

and the Paying Party shall make such payment:

- (i) by the specified or otherwise agreed due date in the case of invoices received under sub-paragraph 4.2.1; or
- (ii) within thirty days of the date of the Receiving Party's invoice under sub-paragraph 4.2.2.

- Deleted: 3
- Deleted: 3

4.3 NGET shall pay TO Charges and all other payments due under a TO Construction Agreement to Transmission Owners, in the following manner:

- Deleted: 3
- Formatted: Font color: Red

4.3.1 in the case of recurrent monthly TO Charges or other payments, on the later of:

- Formatted: Font color: Red
- Deleted: 3

4.3.1.1 the 15th day following the day that the Transmission Owner's invoice therefor was despatched; and

- Formatted: Font color: Red
- Deleted: 3

4.3.1.2 the 16th day of the month to which the invoiced TO Charges or other payments relate,

- Formatted: Font color: Red
- Deleted: 3

unless, in any such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day; or

4.3.2 where TO Charges or other payments are payable other than monthly, within thirty days of the date of the Transmission Owner's invoice therefor.

- Formatted: Font color: Red
- Deleted: 3

4.4 The dates for payment as set out in paragraphs 4.2(i) and (ii), 4.3.1.1 and 4.3.1.2 and 4.3.2 above shall constitute, in each case, the "Due Date" for the purposes of this Section E.

- Formatted: Font color: Red
- Deleted: 3
- Deleted: 3
- Deleted: 3

4.5 All payments including, without limitation, TO Charges under this Section E shall be made in Pounds Sterling by the variable direct debit method, or such other form of bankers automated payment or other payment method or currency as shall be

- Deleted: 3
- Deleted: 3
- Deleted: 3
- Formatted: Font color: Red

approved by the relevant Receiving Party, to the account number, bank and branch as the Receiving Party may from time to time notify to the relevant Paying Party.

~~4.6~~ Each Receiving Party shall provide such bank account information as a Paying Party reasonably requires from time to time in order to process payments to such Receiving Party in accordance with this Section E or otherwise under this Code or a TO Construction Agreement.

Deleted: 3
Formatted: Font color: Red

~~4.7~~ All payments payable under this Code and each TO Construction Agreement are (unless otherwise specified in this Code, such TO Construction Agreement or agreed between the relevant Receiving Party and Paying Party) exclusive of VAT, which shall be added to such payments, if applicable at the rate applicable at such time. All invoices issued by Parties pursuant to this Section E shall be valid VAT invoices and shall set out the requisite details of the taxable supply to which the given invoice relates.

Deleted: 3
Formatted: Font color: Red

~~4.8~~ All payments under this Code shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction set off or deferment, save as otherwise agreed by the Receiving Party and Paying Party or pursuant to a direction, other decision or award following a Dispute referred under paragraph ~~5.1~~ below.

Deleted: 3
Formatted: Font color: Red
Deleted: 4

~~4.9~~ Nothing in this Section E shall be construed as preventing a Receiving Party from withdrawing and replacing (without affecting the Due Date for payment) any invoice or associated statement before the Due Date for payment of such invoice, by agreement with the relevant Paying Party, where the Receiving Party is aware of any error in such invoice or associated statement.

Formatted: Font color: Red
Deleted: 3

~~5.~~ **DISPUTES**

Formatted: Font color: Red
Deleted: 4

~~5.1~~ Any disputes arising out of or in relation to TO Charges, ~~NGET Charges~~ or other payments under a TO Construction Agreement, this Code or otherwise pursuant to this Section E, may be referred to the Authority as a Dispute in accordance with Section H, paragraph ~~4.1~~ of this Code.

Formatted: Font color: Red
Deleted: 4
Deleted: 4

~~5.2~~ If a Paying Party disputes any amount shown in an invoice or statement as payable by it in respect of any TO Charges, ~~NGET Charges~~ or other payments payable under a TO Construction Agreement or otherwise under this Section E, the Paying Party shall nevertheless pay the amount shown in full and may not withhold payment or any part thereof, but without prejudice to the Paying Party's right subsequently to refer such invoice or statement as a Dispute pursuant to paragraph ~~5.1~~ above.

Deleted: 4
Formatted: Font color: Red
Deleted: SO

Deleted: 4

~~6.~~ **INTEREST ON LATE PAYMENT**

Formatted: Font color: Red
Deleted: 5

~~6.1~~ If any charges or payments payable under this Code or a TO Construction Agreement are not paid on or before the Due Date, unless otherwise specified in this Code, such TO Construction Agreement or otherwise agreed between the relevant Receiving Party and Paying Party, the Paying Party shall pay interest at the Default Interest Rate on the unpaid charge or payment from the Due Date until the day on which payment is made.

Formatted: Font color: Red
Deleted: 5

Proposed Changes to Section J: Interpretation and Definitions

Formatted: Font: Italic, Underline
Formatted: Font: Italic, Underline

Amend existing and insert new definitions in Section J of the STC as follows:

“Affected User”	<u>as defined in the CUSC;</u>	Formatted: Justified, Space After: 12 pt, Line spacing: At least 15 pt
“Interruption”	<u>as defined in the CUSC;</u>	Formatted: Font: 10 pt, Bold Formatted Table
“Interruption Payment”	the payment to be made by the relevant Transmission Owner to NGET, as determined in accordance with Schedule 10 Part 4;	Formatted: Left, Indent: Left: 0 cm, First line: 0 cm, Space After: 12 pt, Line spacing: At least 15 pt
“Interruption Period”	<u>as defined in the CUSC;</u>	
“Joint Investigation”	an investigation conducted jointly by Investigation Parties and, where relevant, other persons into a Significant Incident or Related Significant Incidents <u>or a Possible Relevant Interruption</u> under Section C, Part Three, paragraph 4.2;	Formatted: Indent: Left: 0.06 cm, First line: 0 cm
“NGET Charges”	<u>charges comprising Interruption Payments;</u>	Formatted Table
“Possible Relevant Interruption”	<u>means an Interruption which requires investigation to ascertain whether or not it is a Relevant Interruption;</u>	Formatted: Line spacing: At least 15 pt
“Relevant Interruption”	<u>as defined in the CUSC;</u>	

Proposed Changes to Schedule 10: Charges

Amend Schedule 10 of the STC as follows:

<u>PART FOUR: NGET CHARGES,</u>	<u>In relation to a Transmission Owner, the Interruption Payment determined by NGET in accordance with the provisions of the CUSC which is payable to a User in respect of a Relevant Interruption which is solely as a result of the De-energisation of such Transmission Owner’s Plant and Apparatus.</u>	Formatted: Font: Italic, Underline Formatted: Font: Italic, Underline Formatted: Font: 10 pt, Bold Formatted: Font: 10 pt, Bold
--	---	--

Annex 3 - Copies of Comments Received on the Proposed Amendment Report

This Annex includes copies of any representations received following circulation of the Proposed Amendment Report (circulated on [date], requesting comments by close of business on [date]).

Representations were received from the following parties:

No.	Company	File Number
1		CA029-AR-01