

Amendment proposal:	System Operator - Transmission Owner Code ("STC") CA 26: "Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13"		
Decision:	The Authority¹ has decided to reject this proposal²		
Target audience:	National Grid Electricity Transmission PLC (NGET), Parties to the STC and other interested parties		
Date of publication:	22 October 2007	Implementation Date:	

Background to the Proposed Amendment

Section F of the STC restricts the information that a STC Party is permitted to disclose to a Transmission Owner. Existing provisions of Schedule 3 of the STC permit NGET to disclose User Data and/or Transmission Information that forms part of a NGET Construction Application (specified in Schedules 5³, 6⁴ and 7⁵ of the STC) or is specified in Schedules 11⁶ or 13⁷ of the STC. These Schedules limit the circumstances where NGET is permitted to disclose User Data to a Transmission Owner. The Schedules also define the scope of User Data that NGET may provide to a Transmission Owner for each circumstance.

Schedule 3 Section 2.1.6 also provides a general permission for a STC Party to disclose information (including User Data and Transmission Information) to a Transmission Owner where information exchange is necessary to allow Transmission Owner Construction Offers across different licensed areas in respect of a User request for connection to and/or use of the GB transmission system to be harmonised.

Construction Planning Assumptions are prepared by NGET from data which it uses when preparing the Seven Year Statement. Currently the STC does not clearly define a mechanism for the exchange of Construction Planning Assumptions.

NGET submitted CA 26: Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13 for consideration to the STC Committee Meeting on 20 February 2007.

The Proposed Amendment

STC Amendment Proposal CA 26 seeks to amend Schedules 5, 6, 7, 11 and 13 of the STC to extend the:

- Circumstances when NGET can disclose User Data to a Transmission Owner.
- Scope of information that NGET is permitted to disclose to a Transmission Owner when NGET considers that it may need to seek a Transmission Owner Construction Offer.

The proposed Amendment is supported by NGET and both Transmission Owners.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ Schedule 5 of the STC defines information that NGET shall include in a NGET Construction Application.

⁴ Schedule 6 of the STC defines information that NGET shall include in a NGET Modification Application.

⁵ Schedule 7 of the STC defines information that NGET shall include in a System Construction Application.

⁶ Schedule 11 of the STC defines information that NGET shall include in a NGET TEC Exchange Rate Application.

⁷ Schedule 13 of the STC defines information that NGET shall include in a NGET Request for a Statement of Works.

STC Committee⁸ recommendation

The STC Committee recommended that the Authority approve Amendment Proposal CA 26 for implementation five business days after its decision.

The Authority's decision

We have considered the issues raised by CA 26 and the final Amendment Report (the "Amendment Report") dated 18 September 2007. We have considered and taken into account the STC Committee's consultation and recommendation. We have concluded that implementation of the proposed amendment will not better facilitate the achievement of the Applicable STC Objectives⁹.

Reasons for the Authority's decision

We agree that it is appropriate for Transmission Owners to have the information they require to carry out their licensed activities, including investment planning. In general we consider that it is important that information is shared where this will lead to more efficient investment decisions being taken. However, having considered the Amendment Report in the context of the applicable STC objectives and our statutory duties, we consider that the Amendment Report does not provide sufficient information to enable us to determine that it would better facilitate these objectives.

We acknowledge that there are benefits associated with removing ambiguities by clarifying the mechanisms under which Construction Planning Assumptions may be provided by NGET. We acknowledge that contracted background information is published in the Seven Year Statement. We note the comments in the Amendment Report information based on public domain information can be considered as outside of the STC restriction on data transfer to a Transmission Owner. However we welcome the proposal to clarify the STC and include an explicit requirement for NGET to provide Construction Planning Assumptions to Transmission Owners as part of a NGET Construction Application.

We also recognise that Transmission Owner access to only limited data may adversely affect the accuracy of transmission system analysis, the output of which is used to inform investment planning decisions. We note that changes that improve the accuracy of transmission system planning analysis could be said to better facilitate efficient investment planning decisions.

In respect of User Data, we consider that it is important that the reasons for changes to the circumstances when and the scope of data that can be disclosed to a Transmission Owner are clearly set out and evidence provided in support of the change. We do not consider that evidence was provided in the Amendment Report that adequately explained the:

- need for extending the circumstances where NGET can disclose User Data to a Transmission Owner.
- need to extend the scope of information that NGET is able to disclose to a Transmission Owner in respect of User applications which are outside of that Transmission Owner's licensed area and boundary of influence.

⁸ The STC Committee is established and constituted from time to time pursuant to and in accordance with the section B6 of the STC.

⁹ As set out in Standard Licence Condition B12 of the Transmission Licence.

- Consequences of the perceived defect in the current STC arrangements that was implied in the Amendment Report.

Decision notice

The Authority has decided to direct that Proposed Amendment CA 26, as set out in the Amendment Report, should be rejected.

A handwritten signature in black ink that reads "John Scott". The signature is written in a cursive style with a horizontal line underneath the name.

**John Scott,
Technical Director**

Signed on behalf of the Authority and authorised for that purpose.