

AMENDMENT REPORT

STC Proposed Amendment CA039

Amendment of outage planning timescales to enable more coordinated outage planning

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CA039

Amendment Ref	CA039
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Prepared by	STC Committee

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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
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1.0 SUMMARY AND RECOMMENDATION

- 1.1 STC Amendment Proposal CA039 proposes to amend the STC by extending the current outage proposal submission timescales from one year to two years. The first year submission will remain as it currently is and the second year will list all main interconnected transmission system outages only.
- 1.2 STC Amendment Proposal CA039 was proposed by NGET and submitted for consideration to the STC Committee meeting on 27th July 2010.
- 1.3 The STC Committee discussed the Proposed Amendment CA039 and recommended that it proceeded to the Evaluation Phase for a maximum of two months as permitted by Section B of the STC.
- 1.4 The working group established for the Evaluation Phase considered that the Amendment Proposal better facilitates the applicable STC Objectives.
- 1.5 The working group reported back to the STC Committee on 28th September 2010 and the STC Committee agreed to proceed to the Assessment and Report Phase.

STC Committee Recommendation

- 1.4 The STC Committee recommends that STC Amendment Proposal CA039 be approved for implementation.
- 1.5 Should the Authority approve STC Amendment Proposal CA039, it is recommended that the STC be modified 5 days after the Authority decision.

2.0 PURPOSE AND SCOPE OF THE REPORT

- 2.1 This 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 The proposal seeks to put in place provisions which will enable better coordination between Transmission Owners (TO)s and NGET to enable NGET to align, and where possible combine, outages of TO boundary equipment more efficiently, to deliver additional work for transmission system upgrades required for the connection of generation.
- 2.3 Further to the submission of Amendment Proposal CA039 (see Annex 1) this document has been addressed and furnished to persons who have a relevant interest in the Proposed Amendment and invites views upon the Amendment Proposal CA039.
- 2.4 This document outlines the nature of the STC changes that are proposed. It incorporates the STC parties' recommendations to the Authority concerning the Amendment.
- 2.5 This 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

Current Process

- 3.1 Currently, in accordance with Section C, Part Two of the STC, TOs are required to cooperate and assist NGET in developing NGET's Outage Plans by providing the most up to date version of its Outage Proposals up until the date on which the final version of each such Outage Proposal is submitted to NGET on or before Week 28.
- 3.2 On or before Week 34, NGET is to issue to each TO such parts of the Outage Plan for the following Financial Year which are likely to affect the TO's Transmission System.
- 3.3 On or before Week 49, NGET shall ensure that the Outage Plan for the following Financial year takes into account any information and feedback received from the TO and from users and shall revise and re-issue to each TO such parts of the Outage Plan as cover Outages which are likely to materially affect that TO's Transmission System.
- 3.4 From Week 28, any Party may request a change to the Outage Plan and the affected Parties will agree how to accommodate the change.
- 3.5 From Week 49, after NGET has re-issued the Outage Plan for the following Financial Year, the net costs reasonably incurred by the TO, as a result of the Outage Change and which are agreed by NGET and the TO, are reimbursed to the TO in accordance with the Transmission Licence (see Annex 2).

Proposed Process

- 3.6 This Amendment Proposal seeks to amend the Outage Proposal submission from the TOs to NGET at Week 28 from one Financial Year to two Financial Years but with the second Financial Year Outage Proposal being outages for a subset of the Main Interconnected Transmission System (MITS) as agreed between the licensees.
- 3.7 This will give NGET, as National Electricity Transmission System Operator, more information from the TOs, which will enable NGET to plan key outages further than one year in the future. It is also anticipated that, when Year Two becomes Year One, amendments to the Outage Proposal submissions should be minimised compared to submission of a completely new Outage Proposal, as any outage alignment will already have occurred.
- 3.8 This amendment will be complimented by three proposed STCP Amendment Proposals, PA059, PA060 and PA061, which have been raised by NGET in parallel with this CA039 STC Amendment Proposal. These STCP Amendment Proposals seek to amend STCP11-1, STCP11-3 and STCP16-1, to facilitate a more coordinated outage planning process between NGET and the TOs by strengthening the processes in this area and proposing more information exchange between the Parties prior to Week 49.

4.0 ALTERNATIVE AMENDMENTS

- 4.1 No Alternative Amendments to CA039 were submitted.

5.0 EVALUATION PHASE

- 5.1 The STC Committee considered CA039 and agreed that it should be referred to the Evaluation Phase prior to proceeding to the Assessment and Report Phase.
- 5.2 Consequently a working group was established by the STC Committee, the terms of reference for which can be found in Annex 3 to this Amendment Report.
- 5.3 The working group met via teleconference twice during the permitted two month period, as laid out in Section B of the STC. In addition to the two teleconferences, communications regarding the Amendment Proposal took place between working group members via e-mail.
- 5.4 At the first meeting, the working group discussed the impact of CA039 on the relevant STCPs to support CA039, but during the first meeting it became apparent that the Evaluation Phase was not long enough to develop legal text for those STCPs and therefore the amendments to the STCPs would be continued in parallel to work on CA039.
- 5.5 The working group discussed the probability that for a year following the next financial year, all outage plans would not be known by the Transmission Owners and on that basis, the second year outage plan should be based on key outages only.
- 5.6 It was also noted by the working group (and later by the STC Committee) that the use of the Evaluation Phase in the STC could be open to misinterpretation and, as such, the STC Committee will be reviewing the current STC governance arrangements with respect to the Evaluation Phase in the near future.
- 5.7 The working group concluded on 20th September 2010 and it was agreed by the working group that the terms of reference had been met.
- 5.8 The working group chairman reported back to the 28th September 2010 STC Committee recommending that this Amendment Proposal better facilitates the applicable STC Objectives, as detailed in Paragraph 9 of this Amendment Report.

6.0 STC PARTIES' ASSESSMENTS

- 6.1 This section contains a summary of the views and representations made by STC Parties during the Assessment Phase in respect of the Proposed Amendments, in accordance with Section B, Paragraph 7.2.5.2 of the STC.

National Grid View

- 6.2 National Grid is supportive of Amendment Proposal CA039, and has carried out an Assessment of the Proposed Amendment.
- 6.3 The implementation of CA039 would not have any physical impact on National Grid's Transmission System. Minor changes to TOGA will be required. Additional resources will be required to implement the proposed change to undertake the additional work to process two years of outage information from the TOs and manage the additional uncertainties in the Year 2 outage plan due to external influences such as changes to connection dates and rephasing of the capital plan.

- 6.4 The main manipulation and agreement of outages occurs at the year ahead planning stage (Year 1 plan). There is currently limited focus on years 2 to 5 with only a few key outages identified by the TOs. Having two years worth of data will enable National Grid to assess the plan over a longer term and in more detail. This will mean alternative ways of delivering the TOs work requirements including aligning outages can be discussed. National Grid already try and do some alignment by encouraging the TOs to agree outages and this does work to some extent based on the current timescales. Extending this will make this clearer and should reduce the instances of key system outages becoming known for the first time at the year ahead stage. There is a significant volume of construction and maintenance work to deliver over the next few years and all parties must work very closely to achieve this. Changes to the STC would help underpin this process.
- 6.5 In current year timescales when additional outages are requested, National Grid will often ask if the work can be done the following year if it is identified that there are suitable outages available. This principal would be easier to adopt in the year ahead planning timescales as more data will be available.
- 6.6 A greater visibility of outage data should ensure that requests for the same outage over consecutive years can be reduced (note, delivering a major system change may mean this type of request is essential). For example, National Grid could combine two outages in one year rather than two outages in consecutive years or take the outage earlier than requested to avoid a clash.
- 6.7 Apart from greater coordination across the TOs there is the potential to be able to review outages and suggest changes to durations. This could allow more work to be delivered.
- 6.8 Another benefit will be the focus on the operation planning aspects within years one and two and that the focus on the requirements for year three onwards can be more design orientated, where changing the design or method of delivery would help with delivering an economic solution including proposed outages in these timescales.

Scottish Hydro-Electric Transmission Limited (SHETL) View

- 6.9 The implementation of CA039 would not have any physical impact on SHETL System(s) or require changes to IS systems. The supply of additional outage information to the SO will require an additional resource to be deployed in the outage planning group as well as investment planning section. New internal procedures within SHETL will require to be established to accommodate these changes.
- 6.10 SHETL is supportive of Amendment Proposal CA039, and have completed an Assessment on the Proposed Amendment.

SP Transmission Limited (SPT) View

- 6.11 SPT is supportive of Amendment Proposal CA039, and have completed an Assessment on the Proposed Amendment.
- 6.12 The implementation of CA039 would not have any physical impact on SPT System(s) or require changes to IS systems. Additional resources will be required to implement the proposed change to undertake the additional work

to supply two years of outage information to the SO. The proposal will require some changes to procedures internal to SPT.

Offshore Transmission Owners (OFTOs) View

- 6.13 The OFTOs are supportive of Amendment Proposal CA039, and have completed an Assessment on the Proposed Amendment.
- 6.14 The implementation of CA039 would not have any physical impact on OFTO System(s) or require changes to IS systems.

7.0 IMPACT ON THE STC/STCPs

- 7.1 The Proposed Amendment will amend of Section C – Transmission Services and Operation, Part Two: Transmission Outage Planning, by including the requirement of a second year of Outage Proposals to be submitted from the TO to NGET.
- 7.2 Section J – Definitions will be amended to include new definitions to facilitate the type of outage proposals for Year Two.
- 7.3 The text required to give effect to the Proposed Amendment is attached in Annex 4 to this report.
- 7.4 As briefly mentioned in Section 3 of this Amendment Report, the following STCP Amendment Proposals have been raised in parallel to CA039 and those proposals are in the process of being developed.
- PA059 – Amendment of process for more coordinated outage planning (STCP11-1)
 - PA060 – Amendment of process for outage change costing (STCP11-3)
 - PA061- Amendment of process for more coordinated outage planning (STCP16-1)
- 7.5 The proposed amendments to processes in the STCPs listed above are being developed to facilitate this CA039 Amendment Proposal.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 8.1 The Proposed Amendment would have no impact on Core Industry Documents, Industry documentation or require any changes to computer systems established under Core Industry Documents.
- 8.2 As previously mentioned in Sections 3 and 7 of this Amendment Report, STCP11-3 is currently being developed under the STCP Amendment Proposal PA060. PA060 proposes to extend the period, from one year to two years, in which TO would be reimbursed costs reasonably incurred from moving outages in that period.
- 8.3 If PA060 is approved by the STC Committee and the Authority approves CA039, then it was anticipated that a modification to Special Condition AA5, Part 2 (iv) of the Transmission Licence may be required. Special Condition AA5 provides for outage change costs as described in 8.2 above, borne by NGET, to be reimbursed to NGET through the incentive mechanism.

- 8.4 Through discussion, the Authority has confirmed that Amendment Proposal CA039 on its own will not necessitate changes to the Transmission Licence.

9.0 STC COMMITTEE VIEWS & RECOMMENDATION

- 9.1 The STC Committee believes that amendment of the STC on the basis of CA039 would better facilitate achievement of the following applicable STC objectives as detailed below:

(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;

CA039 better facilitates the efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act for the reasons described following (b) and (c) below.

(b) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;

This Amendment Proposal facilitates more coordinated outage planning between NGET and the Transmission Owners to ensure that best use is made of available outages windows for all parties which will in turn enable more efficient outage placement by NGET.

(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;

More coordinated outage planning between NGET and the Transmission Owners as a result of this Amendment Proposal should allow more access to system and therefore facilitate more competition in generation of electricity.

(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it related to interactions between transmission licensees; and

With better outage planning between the parties, there will be less circuits continually on outage as the coordinated planning will allow for bundling of works on circuits simultaneously and therefore the electricity transmission system will be more secure.

(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.

This Amendment Proposal facilitates regular communications and data exchange between NGET and the Transmission Owners thus allowing the obligations in the STC to be met more efficiently.

- 9.2 The STC Committee believes that CA039 has a cost neutral environmental impact as it is purely an administrative process that is being proposed.
- 9.3 The STC Committee therefore provisionally recommends that the Authority should approve Amendment Proposal CA039 for implementation.

10.0 IMPLEMENTATION AND TIMESCALES

- 10.1 Should the Authority approve Amendment Proposal CA039 it is recommended that the STC be modified 5 business days after the Authority's decision.
- 10.2 Following implementation of CA039, the Transmission owners will work with NGET using reasonable endeavours, to provide by week 28 of 2011 as much of the relevant outage information as possible for the following two Financial Years. The Transmission Owners will as a minimum continue to provide the outage information for the following financial year in accordance with the current version (Oct 2010) of Section C of the STC. By week 28 of 2013 the Transmission Owners will comply with the new requirements of CA039.

11.0 VIEWS AND REPRESENTATIONS

- 11.1 Views have been invited from Industry parties upon the Proposed Amendment contained within this Amendment Report.
- 11.2 The STC Committee received one response following the publication of the Proposed Amendment Report for consultation. The following table provides an overview of the representations, and copies of the representations are attached in Annex 5 of this document

Reference	Company	Summary of Comments
CA039-AR-01	EDF Energy	Notes that an additional financial year's planning data might be of benefit to all system users and, in particular, generation businesses. Also responded that longer timescales for responding to consultations would be welcomed.

- 11.3 The STC Committee note that, under 7.2.5.10 (c) of the STC, the length of a consultation can be for any period of time up to one month, which is determined on the complexity of the Proposed Amendment. The STC Committee will take the above comments into consideration when determining the length of future consultations.

Annex 1 - Amendment Proposal Form**STC Amendment Proposal Form**
CA039

<p>1. <u>Title of Amendment Proposal</u></p> <p>Amendment of outage planning timescales to enable more coordinated outage planning</p>
<p>2. <u>Description of the Proposed Amendment</u></p> <p>This amendment proposal proposes to amend Section C of the STC such that the TO must submit to NGET the final version of TO's Outage Proposal for the following Financial Year and the subsequent year. This will allow NGET to build outage plans with all known outages further ahead.</p>
<p>3. <u>Description of Issue or Defect that Proposed Amendment seeks to Address</u></p> <p>Currently, a TO only has to submit Outage Proposals in Week 49 for the following Financial Year. It would be beneficial to the outage planning process for the system operator to have a more forward looking view of planned/expected outages beyond one year ahead, as this would allow the NGET as NETSO greater scope for optimising the outage plan.</p>
<p>4. <u>Impact on the STC</u></p> <ul style="list-style-type: none"> • Amendments to STCP11-1, STCP11-3 and STC Section C, Part Two will be required.
<p>5. <u>Impact on other frameworks e.g. CUSC, BSC</u></p> <p>a. NGET's Transmission Licence</p>
<p>6. <u>Impact on Core Industry Documentation</u></p> <ul style="list-style-type: none"> • None
<p>7. <u>Impact on Computer Systems and Processes used by STC Parties</u></p> <ul style="list-style-type: none"> • None
<p>8. <u>Details of any Related Modifications to Other Industry Codes</u></p> <ul style="list-style-type: none"> • None
<p>9. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u></p> <p>Amending the STC as described above will provide better information to enable NGET to outage plan more economically.</p> <p>Amending the STC in this manner would mean that the following objectives are better facilitated:</p> <p>(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;</p> <p>(b) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;</p> <p>(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it related to interactions between transmission licensees; and</p> <p>(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.</p>

Details of Proposer Organisation's Name	National Grid Electricity Transmission plc
Capacity in which the Amendment is being proposed (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	Kathryn Sorrell National Grid Electricity Transmission plc 01189 363161 kathryn.sorrell@uk.ngrid.com
Attachments (Yes/No): No	

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:

Kabir Ali
STC Committee Secretary
Regulatory Frameworks
National Grid Company plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

Or via e-mail to: Kabir.ali@uk.ngrid.com

Annex 2 – NGC Special Licence Condition AA5: Balancing Services Activity Revenue Restriction, Part 2 (iv)

Electricity Transmission Licence of The National Grid Company PLC

Part 2 (iv): TO incentives

21. Where there is a failure to agree between the licensee and a transmission owner in relation to:

- (a) whether a change to the outage plan is an outage change; or
- (b) the net costs reasonably incurred by the transmission owner as a result of an outage change

the licensee shall provide the Authority such information as the Authority may reasonably request in relation to such disagreement.

21A An “outage change” is a change notified to a transmission owner by the licensee on or after week 49 to the outage plan, as updated from time to time in accordance with the STC, other than:

- (a) a change to the outage plan requested by a transmission owner (the “original change”); and
- (b) such changes notified to the transmission owner by the licensee which:
 - (i) the licensee and the transmission owner agree are necessary in order to give effect to the original change, or
 - (ii) where there is a failure to agree, the Authority determines are necessary in order to give effect to the original change;

and

- (c) without prejudice to subparagraphs (a) and (b) above, any change to the outage plan notified to the transmission owner by the licensee which the licensee and the transmission owner agree is not an outage change under this licence condition (a “non-chargeable outage change”). For the avoidance of doubt, any costs and/or expenses incurred by the licensee in relation to a non-chargeable outage change will not be considered by the Authority to be a reasonable cost or expense in relation to an outage cost adjusting event notified by the licensee under paragraph 23 (a).

21B For the purposes of paragraph 21 and paragraph 21A, “outage plan” and “week 49” shall have the same meanings as defined or used in the STC.

22. (a) An outage cost adjusting event in relevant year t may arise from either of the following:

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Transmission licensee (company number 2366977): Special Conditions Consolidated – 15 April 2010

Electricity Transmission Licence of The National Grid Company PLC

- (i) where the actual costs incurred by the licensee in making outage changes are, or where the licensee's reasonable expectation of the actual costs in making outage changes will be either less than or in excess of ON_t in each case by more than £300,000 (the "outage threshold amount) or such other figure as the Authority has specified for the relevant year where ON_t has the value ascribed to it in paragraph 14 above; and
- (ii) an event or circumstance other than listed above which is, in the opinion of the Authority, an outage cost adjusting event and is approved by it as such in accordance with paragraph 24 of this licence condition.

23. Notice of proposed outage cost adjusting event

- (a) Where the licensee considers, and can provide supporting evidence that, in respect of relevant year t , there have been costs and/or expenses that have been incurred or saved by an outage cost adjusting event, then the licensee shall give notice of this event to the Authority.
- (b) A notice provided to the Authority under paragraph 23(a) shall give particulars of:
 - (i) the event to which the notice relates and the reason(s) why the licensee considers this event to be an outage cost adjusting event;
 - (ii) the amount of any change in costs and/or expenses that can be demonstrated by the licensee to have been caused or saved by the event and how the amount of these costs and/or expenses has been calculated;
 - (iii) the amount of any allowed income adjustment proposed as a consequence of that event and how this allowed income adjustment has been calculated; and
 - (iv) any other analysis or information which the licensee considers to be sufficient to enable the Authority and the relevant parties referred to in subparagraph 24(a) to fully assess the event to which the notice relates.
- (c) If the Authority considers that the analysis or information provided in sub-paragraphs 23(b)(i) to 23(b)(iv) above is insufficient to enable both the Authority and the relevant parties referred to in subparagraph 24(a) to assess whether an outage cost adjusting event has occurred and/or the amount of any allowed income adjustment that should be

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approved, the Authority can request that the supporting evidence be supplemented with additional information that it considers appropriate.

- (d) A notice of an outage cost adjusting event shall be given as soon as is reasonably practicable after the occurrence of the outage cost adjusting event, and, in any event, not later than three months after the end of the relevant year in which it occurs.
- (e) The Authority will make public, excluding any confidential information, any notice of an outage cost adjusting event following its receipt.
- (f) Any notice submitted to the Authority under either paragraph 23(a) above should clearly identify whether any of the information contained in the notice is of a confidential nature. The Authority shall make the final determination as to confidentiality having regard to:
 - (i) the need to exclude from disclosure, so far as is reasonably practicable, information whose disclosure the Authority considers would or might seriously prejudicially affect the interests of a person to which it relates; and
 - (ii) the extent to which the disclosure of the information mentioned in sub-paragraph 23(f)(i) is necessary for the purposes of enabling the relevant parties to fully assess the event to which the notice relates.

24. The Authority's determination

- (a) The Authority shall determine (after consultation with the licensee and such other persons as it considers desirable):
 - (i) whether any or all of the costs and/or expenses given in a notice pursuant to paragraph 23(a) were caused or saved by an outage cost adjusting event;
 - (ii) whether the event or circumstance has increased or decreased the licensee's relevant costs in making outage changes such that they will be either less than or in excess of ON_t in each case by more than the outage threshold amount; and
 - (iii) if so, whether the amount of the proposed income adjustment ensures that the financial position and performance of the licensee are, insofar as is reasonably practicable, the same as if that outage cost adjusting event had not taken place, and if not, what allowed income adjustment would secure that effect.
- (b) In relation to the relevant year t , the allowed income adjustment ($IONT_t$) shall be:

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Transmission licensee (company number 2366977): Special Conditions Consolidated – 15 April 2010

Electricity Transmission Licence of The National Grid Company PLC

- (i) the value determined by the Authority under paragraph 24(a) above; or
 - (ii) if the Authority has not made a determination under paragraph 24(a) above within three months of the date on which notice of an outage cost adjusting event was provided to the Authority, the amount of the allowed income adjustment proposed as a consequence of the event in the notice given to the Authority under subparagraph 23(b)(iii); or
 - (iii) in all other cases zero, including situations where the Authority has not made a determination under paragraph 24(a) above within three months of the date on which notice of an outage cost adjusting event was provided to the Authority and the Authority has, before the end of that three month period, informed the licensee that the Authority considers that the analysis or information provided in accordance with paragraphs 23(b) and/or 23(c) is insufficient to enable the Authority to assess whether an outage cost adjusting event has occurred and/or the amount of any allowed income adjustment.
- (c) The Authority's decision in relation to any notice given under paragraph 23(a) shall be in writing, shall be copied to the licensee and shall be in the public domain.
- (d) The Authority may revoke an approval of an outage cost adjusting event and allowed income adjustment with the consent of the licensee, following consultation with the licensee and relevant parties. Revocation of any outage cost adjusting event and allowed income adjustment shall be in writing, shall be copied to the licensee and shall be in the public domain.

Special Condition AA5B: Not used

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.
Transmission licensee (company number 2366977): Special Conditions Consolidated – 15 April 2010

Annex 3 – Evaluation Phase Terms of Reference

Evaluation Phase Terms of Reference and Membership of Working Group

TERMS OF REFERENCE FOR CA039 WORKING GROUP

RESPONSIBILITIES

1. The working group is responsible for assisting the STC Committee in the evaluation of STC Amendment Proposal CA039, "Amendment of outage planning timescales to enable more coordinated outage planning", submitted by National Grid at the STC Committee on 27th July 2010.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable STC Objectives. These can be summarised as follows:
 - (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;
 - (b) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;
 - (c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;
 - (d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it related to interactions between transmission licensees; and
 - (e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.

SCOPE OF WORK

3. The working group must consider the issues raised by the Amendment Proposal and consider if the proposal identified better facilitates achievement of the Applicable STC Objectives.
4. The working group must develop and agree changes to the legal text in the STC to effect this proposed amendment.
5. The working group will also consider the impact on the relevant STCPs (for which Amendment Proposals PA059, PA060 and PA061 have been raised also at the 27th July STC Committee meeting) and develop the associated text to amend the STCPs.
6. The working group will agree an implementation timetable for this Amendment Proposal should it be approved by the Authority.
7. In accordance with Section B of the STC the Evaluation Phase shall take no longer than two months before the Amendment Proposal proceeds to the Assessment and Report phase.

8. The working group is to submit its final report to the STC Committee Secretary by 21st September 2010 for circulation to the STC Committee. The conclusions will be presented to the STC Committee on 28th September 2010.

MEMBERSHIP

9. The working group has the following members.

Role	Name
Chair	Bec Thornton (National Grid)
NGET representatives*	Amanda May Ian Gilbert Kathryn Sorrell (first meeting only) Tim Truscott
SHETL representative*	David Osborne
SPT representative*	Allan Macleod
Authority representative	Anthony Mungall
Technical Secretary	Tariq Hakeem

NB: A working group must comprise at least 3 Members (who may be STC Committee Members). The roles identified with an asterisk in the table above contribute toward the required quorum.

10. The Technical Secretary will keep an attendance record for the working group meetings and circulate the attendance record with the action notes after each meeting.
11. The membership can be amended from time to time by the STC Committee.

MEETINGS

12. The working group shall, unless determined otherwise by the STC Committee, develop and adopt its own internal working procedures.

REPORTING

13. The working group Chairman shall prepare a final report by way of a draft Proposed Amendment Report to the September 2010 STC Committee, responding to the matter set out in the Terms of Reference.
14. The draft Proposed Working group Report must be circulated to working group members with not less than five business days given for comments.

Appendix 1: Indicative working group timeline

Activity	Deadline/Date	Notes
Review and agree working group terms of reference	9 th August 2010	
First working group meeting	9 th August 2010	
Circulate draft minutes of meeting	18 th August 2010	
Circulate any revised text for review at 2 nd meeting	23 rd August 2010	
Second working group meeting	31 st August 2010	Agree 1 st meeting minutes
Circulate draft minutes of meeting	7 th September 2010	
Circulate any revised text for review at 3 rd meeting	10 th September 2010	Agree 2 nd meeting minutes
Third working group meeting	13 th September 2010	
Circulate draft Proposed Amendment Report for comment	17 th September 2010	
Present draft Proposed Amendment Report to STC Committee	28 th September 2010	

Annex 4 – Proposed Text to modify STC

PROPOSED CHANGES ARE DONOTED IN RED TEXT

SECTION C – Part Two

SECTION C: TRANSMISSION SERVICES AND OPERATIONS

PART TWO: TRANSMISSION OUTAGE PLANNING

1. INTRODUCTION

- 1.1 This Section C, Part Two deals with the placement and implementation of Outages on the National Electricity Transmission System, and sets out the processes for:
- 1.1.1 the co-ordinated development of Outage Proposals by each Transmission Owner;
 - 1.1.2 NGET to prepare Outage Plans for the National Electricity Transmission System taking into account each Transmission Owner's Outage Proposals;
 - 1.1.3 the real-time implementation of each Outage through a pre-agreed Outage Implementation Process; and
 - 1.1.4 provision for the reinstatement of Transmission Services which are the subject of an Outage, where so directed by NGET.

2. OUTAGE PLAN

- 2.1 In accordance with the provisions of this Section C, Part Two, NGET shall develop and maintain a separate Outage Plan of the Outages which are planned to occur on the National Electricity Transmission System in respect of each current and each of the following six Financial Years.
- 2.2 NGET shall update each Outage Plan from time to time to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on the National Electricity Transmission System during the course of the relevant Financial Years. These may include Outages proposed by each Transmission Owner pursuant to this Section C, Part Two and any other Outages which NGET plans in respect of the National Electricity Transmission System.
- 2.3 NGET shall ensure that, to the extent that it is reasonable and appropriate to do so, each Transmission Owner is provided with the most up-to-date version of those parts of each Outage Plan as contain or relate to Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System. In each case, NGET shall identify those changes made to an Outage Plan since the last version provided to the relevant Transmission Owner.
- 2.4 In the course of developing its Outage Plans, NGET shall, to the extent that it is reasonable and practicable to do so:

- 2.4.1 discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages proposed by such other Party and including, without limitation, the data in respect of User Outages set out in Schedule 3; and
- 2.4.2 take into account each Outage Proposal in the preparation of its Outage Plan for the relevant Financial Years (any dispute in relation to the manner in which matters contained in an Outage Proposal are included or not included in an Outage Plan shall be referable to the Authority as a Dispute pursuant to Section H, paragraph 4.1).

3. OUTAGE PROPOSALS

- 3.1 Each Transmission Owner shall co-operate and assist NGET in developing NGET's Outage Plans, including by:
 - 3.1.1 developing and maintaining Outage Proposals, in accordance with paragraph 3.2, with the objective of providing NGET with a proposed placement of Outages for each Financial Year that facilitates as co-ordinated and economical placement of Outages on the National Electricity Transmission System as is reasonably foreseeable and practicable, given the information available to such Transmission Owner; and
 - 3.1.2 providing NGET with the most up-to-date version of each of its Outage Proposals up until the date on which the final version of each such Outage Proposal is submitted to NGET pursuant to paragraph 3.7.
- 3.2 Each Transmission Owner shall develop and maintain, in consultation with NGET, a separate Outage Proposal of the Outages which are planned to occur on the Transmission Owner's Transmission System in respect of the current and each of the following six Financial Years.
- 3.3 Each Transmission Owner shall update each Outage Proposal from time to time, up until the final version of its Outage Proposal is submitted under paragraph 3.7, to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on its Transmission System during the course of the relevant Financial Year.
- 3.4 Each Transmission Owner shall, in preparing its Outage Proposal in respect of each Financial Year, and NGET shall, in planning Outages on its Transmission System in respect of each Financial Year, discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages of such other Party.
- 3.5 Each Transmission Owner shall develop its Outage Proposals taking into account, to the extent that it is reasonable and practicable to do so, the activities and reasonable requests of each other Party and the information provided to it under this Code.

- 3.6 Each Transmission Owner shall, at the request of NGET, take all reasonably practicable steps to assist NGET in co-ordinating and facilitating User Outages and Outages of each other Party.
- 3.7 On or before Week 28, each Transmission Owner shall submit to NGET the final version of such Transmission Owner's Outage Proposal for the following Financial Year **and Key Outage Proposals for Year 2**, and shall ensure that such Outage Proposal is as full and complete as reasonably practicable and contains, without limitation:
- 3.7.1 the proposed start and finish date(s) and times of each Outage;
 - 3.7.2 details of the technical limits which the Transmission Owner anticipates will apply to its Transmission Services whilst they are the subject of the Outage (where not otherwise specified, Transmission Services on Outage shall be deemed to be wholly withdrawn);
 - 3.7.3 if necessary, any information about the associated configuration of any parts of the National Electricity Transmission System and associated arrangements that may be required in relation to the Outage;
 - 3.7.4 information to assist NGET with the efficient sequencing of Outages, including the relationship, if any, between each Outage and any other proposed Outages;
 - 3.7.5 an indication of the importance which the Transmission Owner affixes to each Outage;
 - 3.7.6 details of the Transmission Owner's flexibility margins in respect of each Outage (for example, alternative dates upon which they could be taken, or the potential for movement of other Outage dates or times);
 - 3.7.7 the Emergency Return to Service Time for those parts of the Transmission System associated with each Outage (including, where appropriate, a statement of the steps that would be taken to restore the provision of the relevant associated Transmission Services or such alternative steps as NGET and the relevant Transmission Owner may agree which are intended to give a similar or substitutive effect and, where such steps do not restore such Transmission Services to their Normal Capability Limits, the limits which would otherwise apply),
- (the matters in sub-paragraphs 3.7.5, 3.7.6 and 3.7.7 being here referred to together as "**Flexibility Parameters**").
- 3.8 Following the submission of its final Outage Proposal pursuant to paragraph 3.7, a Transmission Owner shall not make or submit any further change(s) to its Outage Proposal for the following Financial Year. **Key Outage Proposals for Year 2 may be revised at any time until these outages become outages for Year 1**, and any further changes to the Outage Plan for such Financial Years shall be made in accordance with paragraph 5.

4. NGET ISSUE OF THE OUTAGE PLAN

- 4.1 On or before Week 34, NGET shall issue to each Transmission Owner such parts of the Outage Plan for the following Financial Years (being the same Outage Plan from which NGET will circulate relevant information to Users in accordance with Operating Code No.2) as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.2 NGET may involve each Transmission Owner, and each Transmission Owner shall participate, as requested by NGET, in any discussions or correspondence with Users and other third parties from time to time relating to any proposed changes to the Outage Plan in respect of Outages of, or any other Outages which are likely to materially affect, such Transmission Owner's Transmission System.
- 4.3 On or before Week 49, NGET shall ensure that the Outage Plan for the following two Financial Years takes into account any information or feedback received from Transmission Owners and from Users and otherwise, and shall revise and re-issue to each Transmission Owner such parts of the Outage Plan as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.4 For the avoidance of doubt, any involvement or discussions of Transmission Owners with NGET or Users or other third parties under this paragraph 4 shall be in addition to each Transmission Owner's right to request change(s) to the Outage Plan for the following two Financial Years under paragraph 5.

5. CHANGE PROCESS FOLLOWING ISSUE OF FINAL VERSION OF OUTAGE PROPOSAL

- 5.1 This paragraph 5 shall only apply to an Outage Plan from the date on which Transmission Owners are required to have submitted to NGET their final Outage Proposals for the following Financial Year and Key Outage Proposals for Year 2 pursuant to paragraph 3.7.
- 5.2 Each Party shall keep the Outage Plan under review at all times (including up to the end of an Outage) and as soon as a Party becomes aware that a change is required to such Outage Plan, including any requirement for a new Outage or changes to the scheduled dates or times for, or cancellation of, an existing Outage, that Party shall:
- 5.2.1 if it is a Transmission Owner, request a change to the Outage Plan to NGET including with such request a brief description of the reason(s) for the change; or
- 5.2.2 if it is NGET, notify each Transmission Owner that NGET itself requests or another Transmission Owner has requested (where it has received a request under sub-paragraph 5.2.1) a change to the Outage Plan to the extent that it considers that such change affects Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System, with a brief description of the reason(s) for the change.

- 5.3 A request made or notice provided pursuant to paragraph 5.2 may be made or provided verbally where it is necessary and expedient to do so, provided that such request or notice is confirmed in writing as soon as reasonably practicable by the Party making it.
- 5.4 Any request for a new Outage made pursuant to paragraph 5.2 shall include, to the extent reasonably practicable, the matters set out in paragraph 3.7.
- 5.5 The obligation set out in paragraph 5.2 shall apply to the review by NGET of the Outage Plan as a whole and by each Transmission Owners only in respect of such parts of the Outage Plan as have been disclosed to it under paragraph 4.3.
- 5.6 The Parties shall at all times up to the end of an Outage also keep the information provided to each other in connection with each Outage in the Outage Plan under review and shall promptly notify each other Party of any changes in circumstances requiring changes to such information.
- 5.7 Following a request for a change to an Outage Plan made pursuant to paragraph 5.2, the Party requesting such change and any Transmission Owners which receive notification pursuant to sub-paragraph 5.2.2 shall agree how the change may be accommodated. Any failure to agree shall be referable by any of the relevant Parties to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 5.8 NGET shall promptly update the Outage Plan to adopt any change agreed pursuant to paragraph 5.7 and in the event of a failure to agree NGET may, at its discretion, give effect to a change, including by updating the Outage Plan to adopt such change, subject to any subsequent determination of a Dispute referred to the Authority pursuant to paragraph 5.7.
- 5.9 On and from the date on which NGET re-issues the Outage Plan for the following **two** Financial Years pursuant to paragraph 4.3, it shall maintain for 5 years a register which records in relation to any request for a change to such Outage Plan which is made after that date in accordance with this paragraph 5 (including any cancellation of an Outage):
- 5.9.1 a description of the change, including (where appropriate) the date(s) and times specified for an Outage in the Outage Plan at the time of the change and as changed;
 - 5.9.2 the identity of the Party which proposed or requested the change; and
 - 5.9.3 a brief description of the reason for the change;
 - 5.9.4 a indicator of whether NGET made such a change to the Outage Plan and a brief description of the reasons for the decisions including an indication of any withdrawal of a request for an outage change by the party proposing or requesting the change; and
 - 5.9.5 in relation to an Outage Change (as defined in the licence), the net costs reasonably incurred by the Transmission Owner as a result of the Outage Change as declared to NGET and which are agreed by NGET and the

Transmission Owner or where there is a failure to agree, as the Authority determines pursuant to paragraph 9 of Schedule A to the Transmission Owner's Licence.

- 5.10 NGET shall make the register in paragraph 5.9 available to each Transmission Owner to the extent that it contains information in respect of Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.

6. IMPLEMENTATION OF OUTAGES

- 6.1 NGET, and each Transmission Owner in relation to whose Transmission System an Outage contained in the Outage Plan is due to occur, shall jointly prepare for such Outage including by agreeing over a reasonably prudent period beforehand the process required (and the associated configuration of the National Electricity Transmission System that will be required) to be undertaken by each Party in order to implement the Outage in accordance with the Outage Plan (the "**Outage Implementation Process**"). Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 6.2 In the event that NGET and a Transmission Owner shall at any time be unable to agree the Outage Implementation Process to apply in respect of an Outage, the Outage Implementation Process shall be as directed by NGET subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.1.
- 6.3 The Transmission Owner on whose Transmission System an Outage is due to occur or is occurring shall notify NGET of the extent and duration of any change(s) in Operational Capability Limits that will apply to such Transmission Services as are affected by such Outage, in each case:
- 6.3.1 at the same time as the Transmission Owner makes any request to NGET pursuant to paragraph 5.2 which would have the effect of varying a notification already given under this paragraph 6.3; and
- 6.3.2 immediately following receipt of a direction from NGET for the discontinuance of such Outage pursuant to paragraph 7.
- 6.4 NGET, and the Transmission Owner in relation to whose Transmission System the Outage will occur or is occurring (as appropriate), shall each comply with and undertake such actions as are required of them under and in accordance with the Outage Implementation Process.
- 6.5 Where a Party becomes aware of any matter which may affect its ability to meet its obligations pursuant to an Outage Implementation Process, it shall promptly notify the other Party and both shall agree a change to such Outage Implementation Process. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 6.6 In the event that two Parties shall at any time be unable to agree a change to an Outage Implementation Process under paragraph 6.5, such Outage Implementation

Process shall be remain unchanged, subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.5.

7. EMERGENCY RETURN TO SERVICE DURING AN OUTAGE

7.1 NGET may at any time direct that a Transmission Owner discontinue an Outage within the relevant Emergency Return to Service Time, whether or not expiry of the planned period of the Outage is otherwise imminent, by so notifying the relevant Transmission Owner, provided that:

7.1.1 NGET shall consult with such Transmission Owner before issuing any such direction (any dispute in relation to a direction made by NGET pursuant to this paragraph 7.1 shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1); and

7.1.2 pending the subsequent resolution of any Dispute referred to the Authority under sub-paragraph 7.1.1, the relevant Transmission Owner shall, if NGET so requests, take the steps proposed in relation to such Outage pursuant to sub-paragraph 3.7.7 of this Section C, Part Two (or as otherwise agreed with NGET) to restore the provision of Transmission Services.

7.2 A direction notified pursuant to paragraph 7.1 may be notified verbally where it is necessary and expedient to do so, provided that NGET confirms such direction in writing as soon as reasonably practicable.

paragraph 8.5, NGET's proposals in respect of such amendments shall prevail.

SECTION J (INTERPRETATION AND DEFINITIONS)

Insert the following new definitions (in alphabetical order) into Section J (Interpretation and Definitions), Paragraph 3:

- “Key Outage Proposal”** the proposal in respect of proposed outages, for a list of MITS circuits as agreed between the licensees, for Year 2 developed, maintained and submitted to NGET by each Transmission Owner in accordance with, and including those matters set out in, Section C, Part Two The agreed list of MITS circuits shall be reviewed by the licensees as required based on proposed changes to the Transmission System.
- “MITS”** As defined in the NETS SQSS.

Annex 5 – 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 27th October 2010, requesting comments by close of business on 10th November 2010).

Representations were received from the following parties:

No.	Company	File Number
1	EDF Energy	CA039-AR-01

No.	Company	File Number
1	EDF Energy	CA039-AR-01



Thomas Derry
National Grid

Date 10 November 2010

Dear Thomas

STC Proposed Amendment CA039: Amendment to outage planning timescale to enable more coordinated outage planning

EDF Energy welcomes the opportunity to respond to this consultation. An additional financial year's planning data might be of benefit to all system users and in particular generation businesses. We will continue to engage with the transmission owners on a formal outage planning basis and will specifically liaise on this longer term planning basis in accordance within the timescales set within this consultation.

On matter of good regulatory practice we would welcome longer timescales for responding to any future consultations.

Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague Hannah McKinney 020 3126 2652, or myself.
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Rome'.

Rob Rome
Head of Transmission & Trading Arrangements



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