

**VERSION FOR INDUSTRY  
CONSULTATION**

Responses should be sent to  
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on or before 6<sup>th</sup> October 2006

## **PROPOSED AMENDMENT REPORT**

### **STC Proposed Amendment CA022**

#### **Amendments to Section H Resulting From CA013**

*The purpose of this report is to assist the Authority  
in their decision of whether to implement  
Amendment Proposal CA022*

Amendment Ref	CA022
Issue	1.0
Date of Issue	22 <sup>nd</sup> September 2006
Prepared by	STC Committee

**I DOCUMENT CONTROL****a STC Document Control**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Change Reference</b>
0.1	31/08/06	STC Committee	Draft for STC Committee
0.2	12/09/06	STC Committee	Revised draft for STC Committee
1.0	22/09/06	STC Committee	Draft for Industry Consultation

**b Document Location**

National Grid Website:

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

**c Distribution**

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

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## **1.0 SUMMARY AND RECOMMENDATION**

- 1.1 STC Amendment Proposal CA022 proposes to add two additional sub-paragraphs to Section H (Dispute Resolution) of the STC that were inadvertently omitted during the development of CA013 (TEC Exchange Rate Request Process).
- 1.2 Amendment Proposal CA022 was proposed by National Grid Electricity Transmission plc (“National Grid”) and submitted for consideration to the STC Committee Meeting on Monday, 21<sup>st</sup> August 2006. The Committee recommended that it proceed directly to the Assessment and Report Phase.

### **STC Committee Provisional Recommendation**

- 1.3 The STC Committee provisionally recommends that CA022 be approved for implementation.
- 1.4 Should the Authority approve CA022, 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. It addresses issues relating to the amendment of Section H of the STC as a result of CA013.
- 2.2 Further to the submission of Amendment Proposal CA022 (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 CA022.
- 2.3 This document outlines the nature of the STC changes that are proposed. It incorporates the STC Committee’s provisional recommendation concerning the Amendment.
- 2.4 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 STC Amendment Proposal CA022 was proposed by National Grid to add two additional sub-paragraphs to Section H (Dispute Resolution) of the STC that were inadvertently omitted during the development of CA013 (TEC Exchange Rate Request Process).
- 3.2 CA013 added a new Part Three of Section D to the STC, including two paragraphs, 1.4 and 2.7, which described matters that would be potentially disputable in accordance with paragraph 4.1 of Section H.
- 3.3 Section H is structured so that all such disputable matters are listed in paragraphs 4.3 and 4.4. The new paragraphs introduced by CA013 should therefore have been added to this listing in paragraph 4.4 of Section H, but

this change was inadvertently omitted. CA022 thus proposes to correct this by adding two additional sub-paragraphs, 4.4.14 and 4.4.15 to Section H, which would refer to paragraphs 1.4 and 2.7 of Section D, Part Three, respectively. These sub-paragraphs would be logically slotted into the body of the listing in paragraph 4.4, and subsequent sub-paragraphs would be renumbered accordingly.

- 3.4 In the view of the proposer, this amendment is necessary to fully complete the implementation of the arrangements introduced by CA013, and, most importantly, would clarify that the relevant matters in paragraphs 1.4 and 2.7 of Part Three of Section D would be potentially disputable under the provisions of paragraph 4.4, as opposed to paragraph 4.3, of Section H. (Matters falling under paragraph 4.3 constitute a dispute referable to the Authority, where as matters falling under paragraph 4.4 constitute a dispute referable to the Authority by a party only where such a matter would materially adversely affect that party's ability to maintain an efficient, co-ordinated and economical system of electricity transmission.)

#### **4.0 ALTERNATIVE AMENDMENTS**

- 4.1 No Alternative Amendments to CA022 were submitted.

#### **5.0 EVALUATION PHASE**

- 5.1 The STC Committee considered that CA022 should be referred directly to the Assessment and Report Phase, and that an Evaluation Phase was not therefore required.

#### **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 CA022, and has carried out an Assessment on the Proposed Amendment.
- 6.3 The implementation of CA022 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.

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

- 6.4 SHETL is supportive of Amendment Proposal CA022. SHETL have carried out an impact assessment on change proposal CA022 (Amendments to Section H resulting from CA013).
- 6.5 The implementation of the proposed amendment will not have any physical impact on SHETL's Transmission System or require changes to IS systems.

No additional works or monies will be required to implement the proposed change.

### **Scottish Power Transmission Limited (“SPTL”) Assessment**

- 6.6 SPTL is supportive of Amendment Proposal CA022. SPTL have carried out an impact assessment on change proposal CA022 (Amendments to Section H resulting from CA013).
- 6.7 The implementation of the proposed amendment will not have any physical impact on SPTL’s Transmission System or require changes to IS systems. No additional works or monies will be required to implement the proposed change.

## **7.0 IMPACT ON THE STC**

- 7.1 The Proposed Amendment would require the introduction of two additional sub-paragraphs, 4.4.14 and 4.4.15, into Section H (Dispute Resolution) of the STC. The existing sub-paragraphs 4.4.14 – 4.4.16 would be renumbered as 4.4.16 – 4.4.18.
- 7.2 The text required to give effect to the Proposed Amendment is contained as Annex 2 of this document.

## **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 CA022 would better facilitate achievement of the applicable STC objectives, in particular applicable STC objective (e), in that amendment of the STC in this manner would “back-off” the relevant provisions from Section D in Section H of the STC, thereby enhancing the efficiency of the implementation and administration of the TEC Exchange arrangements described in the STC.
- 9.2 The implementation of CA022 would also better facilitate achievement of applicable STC objective (a), as the increased clarity in the disputes process for TEC exchange that would be provided by CA022 would better allow licensees to efficiently discharge their obligations to comply with the STC, as required by Standard Condition B12 of the transmission licences.
- 9.3 The STC Committee therefore provisionally recommends that the Authority should approve Amendment Proposal CA022 for implementation.

## **10.0 IMPLEMENTATION AND TIMESCALES**

- 10.1 Should the Authority approve Amendment Proposal CA022, 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****CA022**

<p><b>1. <u>Title of Amendment Proposal</u></b> Amendments to Section H resulting from CA013</p>
<p><b>2. <u>Description of the Proposed Amendment</u></b> <i>(mandatory field)</i> This amendment proposes to add two additional sub-paragraphs to Section H (Dispute Resolution) of the STC that were inadvertently omitted during the development of CA013 (TEC Exchange Rate Request Process).</p>
<p><b>3. <u>Description of Issue or Defect that Proposed Amendment seeks to Address</u></b> <i>(mandatory field)</i> CA013 (TEC Exchange Rate Request Process) added a new Part Three of Section D to the STC, including two paragraphs, 1.4 and 2.7, which described matters that would be potentially disputable in accordance with paragraph 4.1 of Section H. Section H is structured so that all such disputable matters are listed in paragraphs 4.3 and 4.4. The new paragraphs introduced by CA013 should therefore have been added to this listing in paragraph 4.4 of Section H, but this change was inadvertently omitted. CA022 therefore proposes to correct this by adding two additional sub-paragraphs, 4.4.14 and 4.4.15, to Section H, which will refer to paragraphs 1.4 and 2.7 of Section D, Part Three, respectively.</p>
<p><b>4. <u>Impact on the STC</u></b> <i>(information should be given where possible)</i> Two additional sub-paragraphs, 4.4.14 and 4.4.15, would be introduced into Section H of the STC.</p>
<p><b>5. <u>Impact on other frameworks e.g. CUSC, BSC</u></b> <i>(information should be given where possible)</i> None</p>
<p><b>6. <u>Impact on Core Industry Documentation</u></b> <i>(information should be given where possible)</i> None</p>
<p><b>7. <u>Impact on Computer Systems and Processes used by STC Parties</u></b> <i>(information should be given where possible)</i> None</p>
<p><b>8. <u>Details of any Related Modifications to Other Industry Codes</u></b> <i>(where known)</i> None</p>
<p><b>9. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u></b> <i>(mandatory field)</i> Amendment of the STC in the manner described above would enhance the efficiency of the implementation and administration of the arrangements described in the STC, therefore better facilitating the achievement of applicable objective (e).</p>

<b>Details of Proposer</b> Organisation's Name	National Grid Electricity Transmission plc
<b>Capacity in which the Amendment is being proposed</b> (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
<b>Details of Proposer's Representative</b> Name Organisation Telephone Number Email Address	Andrew Truswell National Grid Electricity Transmission plc 01926 656388 andrew.truswell@uk.ngrid.com
<b>Details of Representative's Alternate</b> Name Organisation Telephone Number Email Address	Ben Graff National Grid Electricity Transmission plc 01926 656312 ben.graff@uk.ngrid.com
<b>Attachments (Yes/No): Yes</b> If yes, title and number of pages of each attachment: Indicative Legal Text (2 pages)	

**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:

Shafiq Ullah  
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: STCTeam@uk.ngrid.com

## Annex 2 - Proposed Text to Amend the STC

### Amend the following paragraph in Section H:

- 4.4 In addition to those matters falling under paragraph 4.3, the following matters shall constitute a Dispute referable to the Authority by a Dispute Party under the Code only where such matter(s) materially adversely affect(s) that Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity transmission in Great Britain:
- 4.4.1 a failure to agree a Services Restoration Proposal or any modification to a Services Restoration Proposal under Section C, Part One, paragraphs 4.7 and 4.8 or 4.9;
  - 4.4.2 a dispute in relation to either a request by NGET or the adequacy of preparatory steps taken by a Transmission Owner pursuant to Section C, Part One, paragraph 4.13;
  - 4.4.3 a dispute in relation to the manner in which matters contained in an Outage Proposal are included, or are not included, in an Outage Plan pursuant to Section C, Part Two, paragraph 2.4;
  - 4.4.4 a failure to agree in relation to any Outage Plan or Outages Implementation Process pursuant to Section C, Part Two, paragraphs 5.7, 6.1 or 6.5;
  - 4.4.5 a dispute in relation to a direction issued by NGET regarding discontinuation of an Outage or Outages pursuant to Section C, Part Two, paragraph 7.1;
  - 4.4.6 a dispute in relation to a request for a change to Planning Assumptions pursuant to Section D, Part One, paragraph 2.2;
  - 4.4.7 a dispute in relation to a Planning Request pursuant to Section D, Part One, sub-paragraph 2.4.4;
  - 4.4.8 a dispute in relation to the reasonableness of a request by NGET for information pursuant to Section D, Part One, sub-paragraph 2.6.2;
  - 4.4.9 a dispute in relation to a the effectiveness of a NGET Construction Application pursuant to Section D, Part Two, paragraph 2.5;
  - 4.4.10 a dispute in relation to a request for a change to Construction Planning Assumptions pursuant to Section D, Part Two, paragraph 3.7;
  - 4.4.11 a dispute in relation to a notice by the Transmission Owner that it does not intend to submit a TO Construction Offer or a notice of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Two, paragraph 4.3;
  - 4.4.12 a dispute in connection with a TO Construction Offer pursuant to Section D, Part Two, paragraph 5.2;

- 4.4.13 a failure to agree Communications Plant under Section D, Part Two, paragraph 9.1;
- 4.4.14 a dispute in relation to the effectiveness of a NGET TEC Exchange Rate Application pursuant to Section D, Part Three, paragraph 1.4;
- 4.4.15 a dispute in relation to a request for a change to TEC Exchange Planning Assumptions pursuant to Section D, Part Three, paragraph 2.7;
- ~~4.4.144~~.4.16 a dispute in relation to the effectiveness of a NGET Request for a Statement of Works pursuant to Section D, Part Four, paragraph 1.4;
- ~~4.4.154~~.4.17 a dispute in relation to a request for a change to Statement of Works Planning Assumptions pursuant to Section D, Part Four, paragraph 2.7; and
- ~~4.4.164~~.4.18 a dispute in relation to a TO Statement of Works Notice by the Transmission Owner that it does not require Transmission Construction Works to be undertaken in respect of a Statement of Works Project or of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Four, paragraph 3.3.

### **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		CA022-AR-01