

**VERSION FOR INDUSTRY
CONSULTATION**

Responses should be sent to
shafiq.ullah@uk.ngrid.com
on or before 6th June 2006

PROPOSED AMENDMENT REPORT

STC Proposed Amendment CA020

GB Transmission System Performance Reporting

*The purpose of this report is to assist the Authority
in their decision of whether to implement
Amendment Proposal CA020*

Amendment Ref	CA020
Issue	1.0
Date of Issue	22 nd May 2006
Prepared by	STC Committee

I DOCUMENT CONTROL**a STC Document Control**

Version	Date	Author	Change Reference
0.1	26/04/06	STC Committee	Draft for STC Committee
0.2	09/05/06	STC Committee	Revised draft for STC Committee
1.0	22/05/06	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	

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1.0 SUMMARY AND RECOMMENDATION

- 1.1 STC Amendment Proposal CA020 seeks to establish a process in the STC for the development of a statement by which the GB Transmission System Performance can be measured, and for the production of the associated annual reports.
- 1.2 Amendment Proposal CA020 was proposed by SP Transmission Limited ("SPTL") and submitted for consideration to the STC Committee Meeting on Wednesday, 22nd March 2006. The Committee recommended that it proceed to the Evaluation Phase.
- 1.3 Under this Evaluation Phase, the Committee commissioned a working group, which met once by teleconference. The working group reported back to the STC Committee Meeting on Tuesday 18th April 2006. The Committee then recommended that CA020 proceed to the Assessment and Report Phase.

STC Committee Provisional Recommendation

- 1.4 The STC Committee provisionally recommends that CA020 be approved for implementation.
- 1.5 Should the Authority approve CA020, 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 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 GB Transmission System Performance Reporting.
- 2.2 Further to the submission of Amendment Proposal CA020 (see Annex 1), this document is addressed and furnished to persons who have a relevant interest in the Proposed Amendments and invites views upon Amendment Proposal CA020.
- 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 CA020 was proposed by SPTL to establish a process in the STC for the development of a statement by which the GB Transmission System Performance can be measured, and for the production of the associated annual reports.
- 3.2 The requirement on National Grid Electricity Transmission plc ("National Grid") to produce the statement and the reports is contained in Standard

Condition C17 of its Transmission Licence. Transmission Owners are required by Standard Condition D3 of their Transmission Licences to provide assistance to National Grid in the production of the reports. CA020 therefore proposes to introduce into the STC a process to facilitate the discharge of these licence requirements.

- 3.3 The process proposed by CA020 is based upon the existing STC processes by which the Transmission Licensees co-operate to produce the Seven Year Statement. The legal text originally proposed to give effect to this process was reviewed and developed by a working group under the Evaluation Phase, and is therefore more fully described in Section 5 of this report.

4.0 ALTERNATIVE AMENDMENTS

- 4.1 No Alternative Amendments to CA020 have been submitted.

5.0 EVALUATION PHASE

- 5.1 The STC Committee considered that CA020 should be referred to the Evaluation Phase, and therefore commissioned a working group to review and develop the legal text for the proposal. The working group met once by teleconference on 11th April 2006, and a number of revisions to the legal text were agreed.
- 5.2 The proposed legal text is principally comprised of six paragraphs to be inserted into Section C of the STC. Paragraphs 8.1 and 8.2 of the final text are substantially unchanged from those originally proposed, and cover the discussions between National Grid and Transmission Owners relating to any proposed changes to the statement by which the GB Transmission System Performance will be measured.
- 5.3 Paragraphs 8.3 and 8.4 of the text were inserted as a result of discussions at the working group meeting, and specify that the Parties will agree a timetable to which the associated annual report will be produced. Any failure to agree such a timetable will be covered by the disputes process in Section H of the STC.
- 5.4 Paragraphs 8.5 and 8.6 specify that National Grid should provide to Transmission Owners such parts of the initial draft text of the report that are of relevance to them, and should liaise with them to agree any amendments to this text. Any failure to agree such amendments will also be covered by the disputes process in Section H. The working group amended the text originally proposed, in order to clarify that the provision of text by National Grid to Transmission Owners would be following the submission of the relevant information by Transmission Owners to National Grid.
- 5.5 The proposed text would also insert two new sub-paragraphs into Section H of the STC (as referred to above), and three new definitions into Section J.
- 5.6 The final proposed legal text to give effect to CA020 is attached as Annex 2 of this document.

6.0 STC PARTIES' ASSESSMENTS

6.1 This section contains a summary of the analysis and impact assessment provided 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 Assessment

6.2 National Grid is supportive of Amendment Proposal CA020. National Grid has carried out an impact assessment on change proposal CA020 (GB Transmission System Performance Reporting).

6.3 The implementation of the proposed amendment will not have any physical impact on National Grid's Transmission System or require changes to IS systems. No additional works or monies will be required to implement the proposed change.

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

6.4 SHETL supports the changes suggested in Amendment Proposal CA020. There will be no significant additional costs as a result of the proposed change.

6.5 SHETL believes that the change will provide consistency with other jointly produced documents.

SPTL Assessment

6.6 SPTL is supportive of Amendment Proposal CA020. SPTL has carried out an impact assessment on change proposal CA020 (GB Transmission System Performance Reporting).

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 a new Paragraph 8 in Part Three of Section C (Transmission Services and Operations), as well as amendments to Section H (Dispute Resolution) and Section J (Interpretation and Definitions) of the STC.

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 CA020 would better facilitate achievement of the applicable STC objectives, in particular applicable STC objective (b), in that establishment of a process in the STC to facilitate the development of the GB Transmission System Performance Report would aid licensees in the development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission.
- 9.2 The establishment of such a process would also better facilitate achievement of applicable STC objective (a), as the detail contained in, and increased clarity given by, the process would allow for the more efficient discharge of the obligations imposed upon transmission licensees by Standard Conditions C17 and D3 of the transmission licences.
- 9.3 The STC Committee therefore recommends that the Authority should approve Amendment Proposal CA020 for implementation.

10.0 IMPLEMENTATION AND TIMESCALES

- 10.1 Should the Authority approve Amendment Proposal CA020 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 contained within this Proposed Amendment Report.

Annex 1 - Amendment Proposal Form**STC Amendment Proposal Form****CA020**

<p>1. <u>Title of Amendment Proposal</u> GB Transmission System Performance Reporting</p>
<p>2. <u>Description of the Proposed Amendment</u> <i>(mandatory field)</i> This Amendment Proposal seeks to establish a process in the STC for the development of a statement by which the GB Transmission System Performance can be measured and for the production of the associated report. The production of the statement and the report are licence requirements on National Grid. It is a licence requirement on the TOs that they provide assistance to National Grid in the production of the report.</p> <p>The proposed amendment is based upon existing STC processes by which the Transmission Licensees co-operate to produce the Seven Year Statement.</p>
<p>3. <u>Description of Issue or Defect that Proposed Amendment seeks to Address</u> <i>(mandatory field)</i> In order to facilitate the requirements of Standard Licence Condition C17 on NGET and of Standard Licence Condition D3 on the TOs, it is proposed that a process be developed to facilitate the licence requirements.</p>
<p>4. <u>Impact on the STC</u> <i>(information should be given where possible)</i> Additional wording to be inserted in Section C (modelled up Section D, Part One, Paragraph 4) together with ancillary changes to Section H.</p>
<p>5. <u>Impact upon the STCPs</u> None</p>
<p>6. <u>Impact on other frameworks e.g. CUSC, BSC</u> <i>(information should be given where possible)</i> None</p>
<p>7. <u>Impact on Core Industry Documentation</u> <i>(information should be given where possible)</i> None</p>
<p>8. <u>Impact on Computer Systems and Processes used by STC Parties</u> <i>(information should be given where possible)</i> None</p>
<p>9. <u>Details of any Related Modifications to Other Industry Codes</u> <i>(where known)</i> None</p>
<p>10. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u> <i>(mandatory field)</i> Establishment of a process in the STC to facilitate the development of the GB Transmission System Performance Report would aid licensees in the development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission.</p>

Details of Proposer Organisation's Name	SP Transmission Ltd
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	David Nicol SP Transmission Ltd 01698 413504 david.nicol@scottishpower.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	David McMenemy SP PowerSystems Ltd 0141 776 2431 david.mcmenemy@sppowersystems.com
Attachments (Yes/No): Yes If yes, title and number of pages of each attachment: Proposed text for the amendment.	

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
NGT 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

Insert the following new paragraph in Part Three of Section C (amending the Contents page accordingly):

8. GB TRANSMISSION SYSTEM PERFORMANCE REPORTING

- 8.1 NGET shall discuss and evaluate with each Transmission Owner any proposed changes to the statement (“Condition C17 Statement”) setting out the criteria by which system availability, security and service quality of the GB Transmission System may be measured pursuant to Standard Condition C17 of its Transmission Licence which may be proposed by NGET or a Transmission Owner.
- 8.2 NGET shall, prior to seeking the approval of the Authority for any change to the Condition C17 Statement, consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it would incur by complying with its obligations under Standard Condition D3 of its Transmission Licence as a consequence of any proposed change to the statement.
- 8.3 Parties shall agree a timetable for the key stages of the production of the GB Transmission System Performance Report (“GB Transmission System Performance Report Timetable”) to enable NGET to meet its obligations for submission of the report to the Authority within the specified timescales of Standard Condition C17. Any failure to agree a GB Transmission System Performance Report Timetable may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 8.4 In the event that NGET and a Transmission Owner fail to agree a GB Transmission System Performance Report Timetable, or any part thereof, then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.3, the Transmission Owner shall comply with such timetable as NGET may specify.
- 8.5 Following the submission of relevant information from each Transmission Owner pursuant to Paragraph 2 of Standard Condition D3 of the Transmission Owner’s Transmission Licence, NGET shall provide to each Transmission Owner those parts of the initial draft text of the report produced pursuant to Paragraph 3 of Standard Condition C17 of NGET’s Transmission Licence (“GB Transmission System Performance Report”) as are of relevance to it and shall liaise with each of them in order to agree any amendments to the initial draft text of the GB Transmission System Performance Report requested by a Transmission Owner. Any failure to agree such amendments to the initial draft text of the report may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 8.6 In the event that NGET and a Transmission Owner fail to agree any amendments to the initial draft text of the GB Transmission System Performance Report then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.5, NGET’s proposals in respect of such amendments shall prevail.

Amend the following paragraph in Section H:

- 4.3 In addition to those matters falling under paragraph 4.4, the following matters shall constitute a Dispute referable to the Authority under the Code:
- 4.3.1 a failure to agree pursuant to Section A, paragraph 4.4;
 - 4.3.2 a failure to agree pursuant to Section B, sub-paragraph 3.2.5 or any other dispute in relation to the scope, content or performance of the Party Entry Processes;

- 4.3.3 a failure to agree pursuant to Section B, sub-paragraph 5.1.6 or any other dispute in relation to the scope, content or performance of the Decommissioning Actions;
- 4.3.4 a failure to agree pursuant to Section B, sub-paragraph 7.3.4;
- 4.3.5 a failure to agree an amendment to the form of the Services Capability Specification pursuant to Section C, Part One, paragraphs 3.2 or 3.3;
- 4.3.6 a dispute in relation to the reasonableness of a request for further information by NGET pursuant to Section C, Part One, paragraph 3.4;
- 4.3.7 a dispute in relation to the provision of, or failure to provide, training pursuant to Section C, Part Three, paragraph 7.3;
- 4.3.8 a failure to agree a GB Transmission Performance Report Timetable or any part thereof pursuant to Section C, Part Three, paragraph 8.3;
- 4.3.9 a failure to agree amendments to draft text of a GB Transmission System Performance Report pursuant to Section C, Part Three, paragraph 8.5;
- 4.3.~~8~~10 a failure to agree a SYS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 4.1.2;
- 4.3.~~9~~11 a failure to agree amendments to draft text of a Seven Year Statement pursuant to Section D, Part One, sub-paragraph 4.1.4;
- 4.3.~~10~~12 a dispute pursuant to Section E, paragraph 4.1;
- 4.3.~~11~~13 a failure to agree under Section G, sub-paragraphs 6.1.1 or 6.1.2; and
- 4.3.~~12~~14 a dispute as to whether a matter falling under paragraph 4.4 materially and adversely affects a Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity in Great Britain for the purpose of determining such Dispute Party's entitlement to refer a matter to the Authority under paragraph 4.4.

Insert the following definitions in Section J:

“Condition C17 Statement” as defined in Section C, Part Three, paragraph 8.1;

“GB Transmission System Performance Report” as defined in Section C, Part Three, paragraph 8.5;

“GB Transmission System Performance Report Timetable” as defined in Section C, Part Three, paragraph 8.3;

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		CA020-AR-01