

CAP142 – Temporary TEC Transfer

TERMS OF REFERENCE FOR CAP142 WORKING GROUP

RESPONSIBILITIES

1. The Working Group is responsible for assisting the CUSC Amendments Panel in the evaluation of CUSC Amendment Proposal CAP142 tabled by British Energy at the Amendments Panel meeting on 24 November 2006.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the applicable CUSC objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence; and
 - (b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC amendment provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

SCOPE OF WORK

4. The Working Group must consider the issues raised by the Amendment Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Working Group shall consider and report on the following specific issues:
 - Trading between 2 parties subject to NG exchange rate
 - Exchange rate shouldn't exacerbate constraints
 - TNUoS charging responsibility of party transferring TEC
 - It is within Financial Year – with the end of financial year as the buffer.
 - It should be looked at whether the 7 weeks at the start of the Financial year should be excluded as this would be the “start up” period, therefore only 45 week period i.e. To deliver a different exchange rate to enduring TEC trades, the assessment would need to be on an ‘operational’ basis, rather than a long term planning basis)
 - Specific consideration should be given regarding embedded
 - That it should not effect charging base
 - Sense check as to whether this is financially viable
 - National Grid would have to be clear on Grid Code requirements are met for the receiving party where a trade is carried out.
6. The Working Group is responsible for the formulation and evaluation of any Alternative Amendments arising from Group discussions which would, as compared with the Amendment Proposal, better facilitate achieving the applicable CUSC objectives in relation to the issue or defect identified. The

Working Group shall have due regard to Core Industry Documents and other industry documents in the evaluation of the Amendment Proposal and any Alternative Amendment.

7. The Working Group is to submit their final report to the CUSC Panel Secretary on XX February 2007 for circulation to Panel Members. The conclusions will be presented to the CUSC Panel meeting on XX February 2007.

MEMBERSHIP

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8. It is recommended that the Working Group has the following members:

Chair	Malcolm Taylor
National Grid	***
Industry Representatives	***

Authority Representative	***
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Technical Secretary	***
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9. The membership can be amended from time to time by the CUSC Amendments Panel.

RELATIONSHIP WITH AMENDMENTS PANEL

10. The Working Group shall seek the views of the Amendments Panel before taking on any significant amount of work. In this event the Working Group Chairman should contact the CUSC Panel Secretary.
11. Where the Working Group requires instruction, clarification or guidance from the Amendments Panel, particularly in relation to their Scope of Work, the Working Group Chairman should contact the CUSC Panel Secretary.

MEETINGS

12. The Working Group shall, unless determined otherwise by the Amendments Panel, develop and adopt its own internal working procedures and provide a copy to the Panel Secretary for each of its Amendment Proposals.

REPORTING

13. The Working Group Chairman shall prepare a final report to the February 2007 Amendments Panel responding to the matter set out in the Terms of Reference.
14. A draft Working Group Report must be circulated to Working Group members with not less than five business days given for comments.

15. Any unresolved comments within the Working Group must be reflected in the final Working Group Report.
16. The Chairman (or another member nominated by him) will present the Working Group report to the Amendments Panel as required.

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