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| Amendment proposal: | System Operator - Transmission Owner Code ("STC") CA025: Amendment to STC Regarding Obligations in Connection Site Specification | | |
| Decision: | The Authority¹ directs that this proposal be made² | | |
| Target audience: | National Grid Electricity Transmission PLC (NGET), Parties to the STC and other interested parties | | |
| Date of publication: | 23 July 2007 | Implementation Date: | 30 July 2007 |

Background to the Proposed Amendment

Section D, Part One of the STC sets out the obligation for each Transmission Owner to have and maintain a Connection Site Specification for each Connection Site. A Connection Site is where there is User Equipment and Transmission Connection Assets to connect that User to the GB Transmission System.

A Connection Site Specification, amongst other things: contains a description of the Transmission Connection Assets at the Connection Site; identifies the boundary between the Transmission Connection Assets and user assets; and describes the technical design and operational criteria which the Transmission Owner assumed to apply to the User's Equipment at the Connection Site.

To enable NGET to operate the GB Transmission System, it must have accurate information regarding a Connection Site. However there is currently no STC obligation on the Transmission Owners to submit to NGET amendments to a Connection Site Specification.

To rectify this situation, NGET submitted CA025: Amendment to STC Regarding Obligations in Connection Site Specification for consideration to the STC Committee Meeting on 20 February 2007.

The Proposed Amendment

STC Amendment Proposal CA025 seeks to amend Section D, Part One and Part Two of the STC to require Transmission Owners to submit to NGET revised Connection Site Specifications prior to an Energisation Notice or Interim Operational Notification being issued to the User.

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

Responses to STC Committee consultation

The STC Committee issued a consultation on Amendment Proposal CA025 and received two responses.

One respondent supported the proposal. The other respondent supported the intention of the proposal but was concerned that implementing this change could delay the energisation of a User's connection. This respondent also considered that there was

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

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

some confusion regarding the interaction of the text proposed for the STC, with the text of the Grid Code and CUSC. In addition, this respondent noted that certain terms used in the proposed legal text are not defined in the STC.

STC Committee³ recommendation

The STC Committee recommended that the Authority approve Amendment Proposal CA025 for implementation five business days after its decision.

The Authority's decision

The Authority has considered the issues raised by the Proposed Amendment and the final Amendment Report CA025. The Authority has concluded that:

1. implementation of the amendment proposal will better facilitate the achievement of the applicable objectives of the STC;⁴ and
2. directing that the amendment be made is consistent with the Authority's principal objective and statutory duties.⁵

Reasons for the Authority's decision

Having considered the Amendment Report in the context of the applicable STC objectives and its statutory duties, Ofgem considers that the Proposed Amendment would better facilitate the achievement of applicable objective (a), the '*efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act*' and applicable objective (b), the '*development, maintenance and operation of an efficient, economical and co-ordinated system of electrical transmission*', as it will ensure that NGET has the information it needs in respect of Connection Sites to assist it in fulfilling its role as GB system operator.

The Authority notes the views of the respondent that sought confirmation that the change will not delay energisation of a User's connection. The Authority notes that, as set out in the Amendment Report, NGET does not consider that the requirement for this information will delay energisation, and that NGET considers that the implementation of CA025 will allow NGET to obtain the information from the Transmission Owner at an appropriate time rather than incur any delay in energisation.

The Authority notes that the Connection and Use of System Code (CUSC) Construction Agreement sets out the rules in respect of energisation of User's Equipment. Schedule 9 of the STC, 'TO Construction Terms', places an obligation on Transmission Owners to assist NGET in connecting and energising User's Equipment at a Connection Site. The detailed processes to be followed by the Transmission Owners and NGET are set out in the STC Procedures (STCP). The Authority would expect NGET and the Transmission Owners to ensure that the requirement in respect of amended Connection Site Specifications does not adversely impact on the timescales within which a User is energised.

³ The STC Committee is established and constituted from time to time pursuant to and in accordance with the section B6 of the STC.

⁴ As set out in Standard Condition B12(3) of NGET's Transmission Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=4146

⁵ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

The Authority also notes that this respondent identified terms in the proposed legal text that are not defined in the STC – “Agreement for Energisation” and “Agreement for an Interim Operational Notification”.

The Authority understands that these terms refer to agreements which are required under STCP19-3 (Operational Notification and Compliance Testing) to be provided by a Transmission Owner to NGET, following a request from NGET for confirmation from a Transmission Owner that it is satisfied that User Equipment can be energised. The Authority understands that NGET intends to propose a further Amendment to clarify this. That being the case, the Authority considers that the text as proposed under this Amendment Proposal does not sufficiently adversely impact the STC to warrant its rejection and considers on balance the amendment proposal to better facilitate the relevant applicable STC objectives as explained above. The Authority also considers that the text as drafted should have no impact on the timescales within which a User’s Equipment is energised.

Decision notice

The Authority has decided to direct that Proposed Amendment CA025, as set out in the Amendment Report, should be made and implemented.

The modification is to be implemented and take effect from 30 July 2007.

In accordance with Condition B12 (3) of NGET’s Transmission Licence, NGET shall modify the STC in accordance with this direction of the Authority.



David Gray,
Managing Director Transmission Networks

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