

Amendment proposal:	System Operator - Transmission Owner Code ("STC") CA027: "Miscellaneous Amendments as a Consequential Effect of CA025"¹		
Decision:	The Authority² has decided that this proposal be made³		
Target audience:	National Grid Electricity Transmission PLC (NGET), Parties to the STC and other interested parties		
Date of publication:	25 January 2008	Implementation Date:	1 February 2008

Background to the Proposed Amendment

The STC was amended on 30 July 2007 by Amendment Proposal CA025⁴ to include a requirement for revised Connection Site Specifications to be sent to NGET by Transmission Owners prior to the commissioning of a project. It became apparent during the consultation phase for CA025 that there were terms used in the legal text of CA025 that were not defined in the STC. In addition CA025 sought to add a new paragraph which altered the paragraph numbering of Section D⁵, but the altered numbering was not reflected in the references used in Section G⁶.

The Proposed Amendment

STC Amendment Proposal CA027 seeks to amend Section J⁷ of the STC to include the new definitions of "Agreement for Energisation", "Agreement for Interim Operational Notification" and "Interim Operational Notification". It is also proposed to amend Section G to reflect the revised paragraph numbering.

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 CA027 and received one response.

The respondent is concerned that the concepts used in CA025 and CA027 do not exist in User facing codes and therefore considers that their legal applicability to Users is highly questionable. In addition the respondent is concerned that a change to the STC would drive changes to User facing codes to bring them into line with CA025 and CA027. Lastly, the respondent was concerned that the term "Energisation Notice" remains undefined in the STC.

¹ "Amendment to STC Regarding Obligations in Connection Site Specification"

² The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

⁴ System Operator - Transmission Owner Code ("STC") CA025: "Amendment to STC Regarding Obligations in Connection Site Specification"

⁵ Planning Co-ordination

⁶ General Provisions

⁷ Interpretation and Definitions

STC Committee⁸ recommendation

The STC Committee recommended that the Authority approve Amendment Proposal CA027 for implementation five business days after its decision.

The Authority's decision

The Authority has considered the issues raised by CA027 and the final Amendment Report dated 19 December 2007. The Authority has considered and taken into account the response to the STC Committee's consultation and the Committee's recommendation. The Authority has concluded that implementation of the proposed variation will better facilitate the achievement of the Applicable STC Objectives⁹.

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 under the Act'* as it will allow the transmission owners to meet their obligations set out in the STC and applicable objective (b), the *'development, maintenance and operation of an efficient, economical and coordinated system of electrical transmission'* as it will ensure that NGET has information it requires to assist it in its role as GB system operator.

Ofgem notes the comments made by the respondent that the concepts used in CA025 and CA027 do not exist in User facing codes and that as a result their legal applicability to Users is highly questionable. Ofgem notes that the STC sets out service provision by the Transmission Owners to the GB System Operator. The interaction between NGET and Users is set out in the Connection Use of System Code (CUSC). Construction Agreements that are set out in the CUSC need to be entered into by Users if there is a construction element required for connection to or use of the transmission system. Ofgem notes that these agreements set out the requirements that Users must comply with to ensure their site is energised.

In addition the respondent is concerned that a change to the STC would drive changes to User facing codes to bring them into line with CA025 and CA027. Ofgem notes that in the Amendment Report, the STC Committee has stated that this Amendment Proposal will not impact on the core industry documents or any other industry documentation and we do not therefore anticipate changes will be required to any other industry documents as a result of these changes.

The Authority also notes that the respondent identified a term in the proposed legal text that is not defined in the STC. This term is "Energisation Notice" which is introduced into the STC as a result of the new definition of "Agreement for Energisation".

The Authority understands that NGET intends to propose a further Amendment Proposal 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.

⁸ The STC Committee is established and constituted from time to time pursuant to and in accordance with the section B6 of the STC.

⁹ As set out in Standard Licence Condition B12 of the Transmission Licence.

Decision notice

The Authority has decided to direct that Proposed Amendment CA027, as set out in the Amendment Report, should be made and implemented.

The modification is to be implemented and take effect from 1 February 2008.

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

A handwritten signature in black ink, appearing to read 'R Hull', with a horizontal line underneath.

**Robert Hull,
Director Transmission Networks**

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