

Amendment proposal:	System Operator ("SO") – Transmission Owner ("TO") Code ("STC") CA037: New Schedule of STC Parties		
Decision:	The Authority ¹ has decided to approve this proposal ²		
Target audience:	National Grid Electricity Transmission PLC (NGET), Parties to the STC and other interested parties		
Date of publication:	06 September 2010	Implementation Date:	13 September 2010

Background to the amendment proposal

The introduction of an offshore transmission regime which went active on 24 June 2009 will result in a new category of STC Party, namely, the Offshore Transmission Owner (OFTO). The STC provides, in Section B, that a Party wishing to accede to the STC enters into the STC Framework Agreement. Although no OFTO has yet acceded to the STC, it is expected that a number of them will accede in the future, having been appointed through the tender process and been granted a transmission licence by the Authority.

The STC does not currently hold details of which companies are STC Parties, causing a lack of transparency and making it difficult to identify which Parties have acceded and how to contact them.

The proposed Amendment

CA037 seeks to introduce a new Schedule A to the STC to hold the contact details of all STC Parties and to amend Section B Paragraph 4.4.2 to oblige the STC Committee Secretary to update and maintain Schedule A when new STC Parties accede. In the proposer's (NGET) view, CA037 would better meet a number of the STC Applicable Objectives, namely, the efficient discharge of their licences by transmission licensees (Applicable Objective a), development of an efficient and economical transmission system (Applicable Objective b), protection of security and quality of supply and safe operation of the transmission system (Applicable Objective d) and promotion of good industry practice and efficiency in the implementation and administration of the STC arrangements (Applicable Objective e).

Responses to the STC Committee consultation

The STC Committee undertook an Assessment and Report consultation on CA037. All the existing STC Parties responded indicating that there would be no impact on their systems and no cost involved in implementing CA037. A response was also received from EdF Energy which supported the proposal.

STC Committee³ recommendation

The STC Committee recommended that CA037 should be implemented with an implementation date which is five business days after the Authority's decision. The Committee agreed with the proposer that CA037 would better facilitate STC Applicable Objectives a, b, d and e.

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.

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

The Authority's decision

The Authority has considered the final Amendment Report for CA037, including the proposed legal text, submitted on 12 August 2010. The Authority has concluded that implementation of the amendment proposal would better facilitate the achievement of the STC Applicable Objectives⁴.

Reasons for the Authority's decision

Applicable Objective e (promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC)

In our view, the principal benefit of CA037 is to increase transparency around the identity of STC Parties which have acceded to the Code. We agree with the STC Committee's view that a published and updated list of STC Parties and their contact details held in the new Schedule A provides an easy and accessible format through which STC Parties and non-code parties can become aware of the identity of STC Parties and make contact with them. Holding contact details in the new schedule will also assist in making the service of notices much easier, ensuring a more efficient process overall.

While we note that there are other consequential benefits of having contact details in an accessible format such as ensuring that STC Parties can communicate effectively on matters relating to the development, maintenance and operation of the transmission system which would enhance security and quality of supply, CA037 would primarily improve the efficiency of the administrative arrangements within the STC.

Decision notice

The Authority has decided to direct that Proposed Amendment STC CA037 'New Schedule of STC Parties' should be approved.

Mark Cox

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

⁴ As set out in Standard Licence Condition B12 of the Transmission Licence.