

## **CUSC - SECTION 11**

### **INTERPRETATION AND DEFINITIONS**

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| "Distribution Code(s)"              | the <b>Distribution Code(s)</b> drawn up by <b>Public Distribution System Operators</b> pursuant to the terms of their respective <b>Licence(s)</b> as from time to time revised in accordance with those <b>Licences</b> ;  |
| "Distribution Connection Agreement" | an agreement between a <b>User</b> who owns or operates a <b>Distribution System</b> and an owner of a <b>Power Station</b> for connection to that <b>User's Distribution System</b> ;   |
| "Distribution Interconnector"       | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Distribution Interconnector Owner" | the <b>Owner</b> of a <b>Distribution Interconnector</b> or of that part of a <b>Distribution Interconnector</b> directly connected to a <b>Distribution System</b> ;  |
| "Distribution Licence"              | a licence issued under section 6(1)(c) of the <b>Act</b> ;   |
| "Distribution System"               | the system consisting (wholly or mainly) of electric lines owned or operated by any <b>Authorised Electricity Operator</b> and used for the distribution of electricity from <b>Grid Supply Points</b> or generation sets or other entry points to the point of delivery to <b>Customers</b> or <b>Authorised Electricity Operators</b> , and includes any <b>Remote Transmission Assets</b> operated by such <b>Authorised Electricity Operator</b> and any electrical plant and meters owned or operated by the <b>Authorised Electricity Operator</b> in connection with the distribution of electricity, but shall not include any part of the <b>National Electricity Transmission System</b> ; |
| "Distribution Voltage"              | a voltage of 132kV or below in England & Wales. A voltage of below 132kV in Scotland. Generally taken to be voltages lower than those defined as transmission voltages;  |
| <u>"Demand Voting Group"</u>        | <u>all <b>User(s)</b> in a <b>Voting Group</b> who fall within any one or more of the following categories:</u><br><br><u>(a) <b>Directly Connected Users</b> with a <b>Bilateral Agreement</b>;</u><br><u>and</u><br><u>(b) a <b>User</b> with a <b>Bilateral Agreement</b> in respect of a <b>Distribution System</b>;</u>   |
| "Dormant CUSC Party"                | a <b>CUSC Party</b> which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the <b>CUSC</b> , as provided for in Section 5;  |
| Downstream Party                    | a third party connected to a <b>Non-Embedded Customer's System</b>   |

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|                                       | the <b>Act</b> ;   |
| "Generation Reconciliation Statement" | as defined in Paragraph 3.12.2;  |
| <u>"Generation Voting Group"</u>      | <u>all <b>User(s)</b> in a <b>Voting Group</b> who fall within any one or more of the following categories:</u> <ul style="list-style-type: none"> <li><u>(a) a <b>User</b> with a <b>Bilateral Agreement</b> in respect of a <b>Directly Connected Power Station</b>;</u></li> <li><u>(b) a <b>User</b> with a <b>Bilateral Agreement</b> in respect of an <b>Embedded Exemptable Large Power Station</b>; and</u></li> <li><u>(c) a <b>User</b> with a <b>Bilateral Agreement</b> in respect of an <b>Embedded Power Station</b>;</u></li> </ul> |
| "Generator"                           | a person who generates electricity under licence or exemption under the <b>Act</b> ;   |
| "Genset"                              | as defined in the <b>Grid Code</b> ;   |
| "GIS Asset Outage"                    | as defined in the relevant <b>Bilateral connection Agreement</b> ;   |
| "Good Industry Practice"              | in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;   |
| "Great Britain"                       | The landmass of England and Wales and Scotland, including internal waters;   |
| "Grid Code"                           | the <b>Grid Code</b> drawn up pursuant to the <b>Transmission Licence</b> , as from time to time revised in accordance with the <b>Transmission Licence</b> ;  |
| "Grid Supply Point" ("GSP")           | a point of delivery from the <b>National Electricity Transmission System</b> to a <b>Distribution System</b> or a <b>Non-Embedded Customer</b> ;   |
| "Gross Asset Value"                   | the value calculated by <b>The Company</b> in accordance with recognised accounting principles and procedures as published by <b>The Company</b> from time to time;  |
| "Group"                               | as defined in the <b>Grid Code</b> ;   |

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| "GSP Group"                               | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "HH Base Percentage"                      | the % value for the relevant <b>Security Period</b> as specified in the table in paragraph 1 of Section 3, Appendix 2;   |
| "HH Base Value at Risk"                   | the sum as calculated in accordance with Paragraph 3.22.3;   |
| "HH Charges"                              | that element of <b>Transmission Network Use of System Demand Charges</b> relating to half-hourly metered <b>Demand</b> ;   |
| "HH Forecasting Performance Related VAR " | the amount resulting from multiplying the <b>Deemed HH Forecasting Performance</b> and the <b>Indicative Annual HH TNUoS Charge</b> calculated on the basis of the latest <b>Demand Forecast</b> received by <b>The Company</b> ;  |
| "High Frequency Response"                 | as defined in the <b>Grid Code</b> ;   |
| "High Voltage" or "HV"                    | a voltage exceeding 650 volts;   |
| "Holding Payment"                         | that component of the payment for <b>Mode A Frequency Response</b> calculated in accordance with Paragraph 4.1.3.9;  |
| "ICRP"                                    | Investment Cost Related Pricing;   |
| "Implementation Date"                     | is the date and time for implementation of an <b>Approved CUSC Modification</b> as specified in accordance with Paragraph 8.28.3;  |
| "Import"                                  | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Import BM Unit"                          | a <b>BM Unit</b> registered in accordance with Section K of the <b>BSC</b> in respect of <b>Import</b> ;   |
| "Income Adjusting Event"                  | as defined in the <b>Transmission Licence</b> ;  |
| "Indemnified Persons"                     | as defined in Paragraph 8.12.1;  |
| "Independent Engineer"                    | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;  |
| "Independent Credit Assessment"           | an assessment of the creditworthiness of a <b>User</b> or entity by an <b>Approved Agency</b> as nominated by the <b>User</b> or entity obtained in accordance with Paragraph 3.26.7, 3.26.8 and 3.26.9;   |
| <u>"Independent Member(s)"</u>            | <u>persons appointed as such pursuant to Paragraph 8.3.1(b)(vi);</u>   |
| "Independent Security Arrangement"        | a guarantee in favour of <b>The Company</b> in a form satisfactory to <b>The Company</b> and which is provided by an entity which meets the <b>Requirements</b> . In addition <b>The Company</b> may accept such a policy from an entity who does not meet the <b>Requirements</b> up to an <b>Agreed Value</b> where <b>The Company</b> agrees or where <b>The Company</b> does not agree as determined by an expert appointed by <b>The Company</b> and the <b>User</b> or failing their agreement as to the |

**“Interconnector User Commitment Capacity”**

- (a) for **Interconnectors** whose **Connection Site** is below the B11 boundary as set out in the annual Electricity Ten Year Statement, this is the figure for the purposes of **CUSC** Paragraph 9.5 as specified in Appendix C of the **User’s Bilateral Connection Agreement**; and
- (b) for **Interconnectors** whose **Connection Site** is above the B11 boundary as set out in the annual Electricity Ten Year Statement, this is the figure for the purposes of **CUSC** Paragraph 9.4 as specified in Appendix C of the **User’s Bilateral Connection Agreement**;

**“Interconnector Voting Group”**

all **User(s)** in a **Voting Group** who fall within any one or more of the following categories:

(a) **Interconnector Owners** with a **Bilateral Agreement**; and

(b) **Interconnector Users**;

**"Interface Agreement"**

the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.13 based substantially on the forms set out in Exhibit O to the **CUSC**;

**“Interim Connect and Manage Arrangements”**

the arrangements in place between 8 May 2009 and the **Connect and Manage Implementation Date** whereby **Offers** were made by **The Company** on the basis that a **Derogation** would be obtained from the **Authority** such that identified **Transmission Reinforcement Works** did not need to be completed prior to connection and/or use of system;

**“Interim Operational Notification” or “ION”**

as defined in the **Grid Code**;

**“Interim Operational Notification Part A” or “ION Part A”**

as defined in the **Grid Code**;

**“Interim Operational Notification Part B” or “ION Part B”**

as defined in the **Grid Code**;

**"Interim Panel and Alternate Election process"**

As defined in Paragraph 8A.4.3.2

**“Interruption”**

where either:-

- (i) solely as a result of **Deenergisation** of **Plant and Apparatus** forming part of the **National Electricity**

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| "STTEC Period"                    | in the case of a <b>STTEC Authorisation</b> , a period of 28 days commencing on a Monday at 00.00 hours and finishing at 23.59 on a Sunday. In the case of a <b>STTEC Offer</b> , a period of either 28, 35, or 42 days (as specified by the <b>User</b> in its <b>STTEC Request Form</b> ) commencing on a Monday at 0.00 hours and finishing at 23.59 on a Sunday; |
| "STTEC Request"                   | either a <b>Request for a STTEC Authorisation</b> or an <b>Application for a STTEC Offer</b> ;   |
| "STTEC Request Fee"               | the non-refundable fee to be paid by the <b>User</b> to <b>The Company</b> as detailed in the <b>Charging Statements</b> ;   |
| "STTEC Request Form"              | the form set out in Exhibit P to the <b>CUSC</b> ;   |
| "Subsidiary"                      | has the meaning given to that term in section 736A of the Companies Act 1985;  |
| "Supplemental Agreement"          | an agreement entered into pursuant to clause 2 of the <b>MCUSA</b> ;   |
| "Supplier"                        | a person who holds a <b>Supply Licence</b> ;   |
| "Supply Agreement"                | an agreement between a <b>Non-Embedded Customer</b> and a <b>Supplier</b> for the supply of electricity to the <b>Non-Embedded Customer's Connection Site</b> ;  |
| "Supplier Half Hourly Demand"     | means <b>BM Unit Metered Volumes (QM<sub>ij</sub>)</b> expressed as a positive number (i.e. $\sum QM_{ij}$ ) of the <b>Trading Unit</b> during the three <b>Settlement Periods</b> of the <b>Triad</b> due to half-hourly metered imports;   |
| "Supply Licence"                  | a licence granted under section 6(1)(d) of the <b>Act</b> ;  |
| "Supplier Non Half-Hourly Demand" | means <b>BM Metered Volumes (QM<sub>ij</sub>)</b> expressed as a positive number (i.e. $\sum QM_{ij}$ ) of the <b>Trading Unit</b> over the charging year between <b>Settlement Periods</b> 33 to 38 due to Non-half-hourly metered imports;   |
| "Supplier Volume Allocation"      | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <u>"Supplier Voting Group"</u>    | <u>all <b>User(s)</b> in a <b>Voting Group</b> who are <b>Suppliers</b>;</u>   |
| "Synchronous Compensation"        | the operation of rotating synchronous apparatus for the specific purpose of either generation or absorption of <b>Reactive Power</b> ;   |
| "Synchronised"                    | the condition where an incoming <b>BM Unit</b> or <b>CCGT Unit</b> or <b>System</b> is connected to the busbars of another <b>System</b> so that the <b>Frequencies</b> and phase relationships of that <b>BM Unit</b> or <b>CCGT Unit</b> or the <b>System</b> , as the case may be, and the <b>System</b> to which it is connected are identical;                  |

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| "User's Licence"                                  | a <b>User's</b> licence to carry on its business granted pursuant to Section 6 of the <b>Act</b> ;   |
| "User System"                                     | any system owned or operated by a <b>User</b> comprising <b>Generating Units</b> and/or <b>Distribution Systems</b> (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other than a <b>Public Distribution System Operator</b> and <b>Plant</b> and/or <b>Apparatus</b> (including in the case of <b>OTSDUW Build</b> , any <b>OTSUA</b> prior to the <b>OTSUA Transfer Time</b> ) connecting <b>Generating Units</b> , <b>Distribution Systems</b> (and/or other systems consisting wholly or mainly of electric lines which are owned or operated by a person other than a <b>Public Distribution System Operator</b> or <b>Non-Embedded Customers</b> to the <b>National Electricity Transmission System</b> or (except in the case of <b>Non-Embedded Customers</b> ) to the relevant other <b>User System</b> , as the case may be, including any <b>Remote Transmission Assets</b> operated by such <b>User</b> or other person and any <b>Plant</b> and/or <b>Apparatus</b> and meters owned or operated by such <b>User</b> or other person in connection with the distribution of electricity but does not include any part of the <b>National Electricity Transmission System</b> ; |
| "Utilities Act 2000"                              | Electricity Act 1989, as amended by the Utilities Act 2000;  |
| "Valid"   | valid for payment to be made thereunder against delivery of a <b>Notice of Drawing</b> given within the period stated therein;   |
| "Value Added Tax"                                 | United Kingdom value added tax or any tax supplementing or replacing the same;   |
| "Value At Risk Amendment"                         | the <b>Proposed Amendment</b> in respect of <b>Amendment Proposal 127</b> ;  |
| "Value At Risk Amendment Implementation Date"     | the <b>Implementation Date</b> of the <b>Value At Risk Amendment</b> ;   |
| "Value At Risk Amendment Implementation End Date" | the date one year following the <b>Value At Risk Amendment Implementation Date</b> ;   |
| <u>"Voting Group"</u>                             | <u>as defined in Paragraph 8A.3.1.2:</u>   |
| "Website"   | the site established by <b>The Company</b> on the World-Wide Web for the exchange of information among <b>CUSC Parties</b> and other interested persons in accordance with such restrictions on access as may be determined from time to time by <b>The Company</b> ;  |
| "Week"  | means a period of seven <b>Calendar Days</b> commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;  |