

Workgroup Consultation Response Proforma**CMP384: Apply adjustments for inflation to manifest error thresholds using indexation**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm** on **08 July 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Ren Walker Lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Binoy Dharsi
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I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (charging) Objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*

- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

**The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original Solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input checked="" type="checkbox"/>E</p> <p>This modification proposal is wholly sensible to improve Applicable Objective a). A manifest error occurs rarely however indexing the threshold to keep it in some approximate line with the changes in overall transmission costs is effective for competition. It should further limit the occurrence of a manifest error.</p> <p>With regards to CUSC Applicable Objective e) this modification proposal better promotes efficiency. It keeps a parameter within the CUSC under a continuous review.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>

Specific Workgroup Consultation questions		
1	Do you support the current/new manifest error thresholds and the effect they have on Users being just below/above the threshold?	<p>Yes. Whilst a more complicated formula and methodology could be created, this would not be proportional to the infrequent occurrences of manifest errors. It seems appropriate to set new thresholds using an established and transparent methodology.</p> <p>If the occurrence of manifest errors were more frequent a slightly more complicated solution could be developed to incorporate Users who are either above or below the threshold.</p>
2	A Generators reconciliation generally occurs in April ¹ following	A manifest error will consist of Users that are charged and those who are rebated. We do not believe that the timings should be different between a credit or a

¹ Section 3.13.2 of the CUSC states "As soon as reasonably practicable and in any event by 30 April in each Financial Year The Company shall prepare a generation reconciliation statement (the "Generation Reconciliation Statement") in respect of generation related Transmission Network Use of System

	<p>the charging year that the manifest error has occurred, should there be different thresholds/and or timings for reconciliation of a credit v charge?</p>	<p>charge. It seems this could raise further and more complicated processes to reconcile the funds between these parties, particularly for NG ESO.</p> <p>If evidence can demonstrate that a delay in processing both credit and charges for Users seems appropriate, then this should be presented to the workgroup for review.</p>
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Charges and send it to the User. Such statement shall specify the Actual Amount and the Notional Amount of generation related Transmission Network Use of System Charges for each month during the relevant Financial Year and, in reasonable detail, the information from which such amounts were derived and the manner in which they were calculated”.