**Drafting for CUSC CMP417 (Extending Principles of CUSC Section 15 to all Users)**

**Approach:** to revise Section 15so it houses the user commitment methodology and the new final sums methodology.It mirrors and replicates the user commitment approach in that: sums for liability are based on the attributable works, with costs adjusted for various factors; there is a process for and ability to “fix”, security requirements reduce on trigger date/consents; there is a bi-annual security process; sets out types of security. [nb some of the more process sections eg issuing the statement could be “harmonised” but for now (and may be preference that are standalone) are replicated in full.

This effectively moves the final sums provisions from the consag at Sch 2 Exhibit 3 Part into section 15.

**1** At **CUSC** Paragraph 1.2.4 edit (as shown in red) the following rows in the Table

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|  | Categories | Applicable Sections |
| 1. | Power Station directly connected to the GB Transmission System (including in the case of OTSDUW Build, a Power Station connected prior to the OTSUA Transfer Time by means of OTSUA) | 2 and 3 and 15 Part A and 16 |
| 2. | Non-Embedded Customer Site | 2 and 15 Part B and 16 |
| 3. | Distribution System directly connected to the GB Transmission System | 2 and 15 Part B ~~and~~ (or where a **Construction Agreement** is associated with **Distributed Generation**) 15 Part A and (except where a **Construction Agreement** is required because of a connection to that **Distribution System** and the **Distribution Queue Management Process** applies) 16 |
| 5. | Embedded Power Station except those which are the subject of a BELLA | 3 only and, where the subject of a BEGA, 15 Part A |
| 9. | Interconnector Owner | 9 Part 1 only and 15 Part A and 16 |

**2** Update any existing references in **CUSC** to Section 15 in to refer to Section 15 Part A and any existing references to MM1, MM2 and MM3 to MM3 to MM1, MM2 and MM3 Part 1

**3** At **CUSC** Section 5, Paragraph 5.4.6.2 (a) and (b)the reference to Section 14 (which is incorrect) is deleted and replaced with“(depending on the category of **User**) Section 15 Part A or Part B”.

**4** Edit **CUSC** Section 5 to include reference to Section 15 in similar manner as above (current error).

**5** Add the following definitions to **CUSC** Sec 11

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| “**Actual Final Sums**” | where **Final Sums** is calculated in accordance with Paragraph 3.4 of Part Two of the **Final Sums Methodology**; |
| “**Demand Capacity**” | for the purposes of **CUSC** Section 15 Part B, the MW figure specified as such in a **Construction Agreement** between **The Company** and a **User** in the category of **Distribution System** directly connected to the **National Electricity Transmission System** or **Non-Embedded Customer**; |
| “**Final Sums**” | the charge payable by certain Users in the event of termination of a **Bilateral Connection Agreement** or **Construction Agreement** or a reduction in **Demand Capacity** as calculated in accordance with the **Final Sums Methodology**; |
| “**Final Sums Methodology**” | the methodology and principles applied by **The Company** in the application and calculation of Final Sums and the **Final Sums Secured Amount** such principles being set out in **CUSC** Section 15 Part B. |
| “**Final Sums Secured Amount**” | the amount to be secured by a **User** from the start of and during a **Security Period** as such amount is applied and calculated in accordance with Part Three of the **Final Sums Methodology**; |
| “**Final Sums Secured Amount Statement**” | the statement issued by **The Company** to a **User** in accordance with Part Two of the **Final Sums Methodology** showing the **Final Sums Amount** for a given **Security Period** such statement to be in substantially the form set out in Exhibit MM2 Part B to the **CUSC**; |
| “**Final Sums Statement**” | the statement issued by **The Company** to the **User** in accordance with Part Two of the Final Sums Methodology such statement to be in substantially the form set out in Exhibit MM1 Part B to the **CUSC**; |
| “**Fixed Final Sums**” | where **Final Sums** is calculated is calculated in accordance with Paragraph 3.3 of the **Final Sums** **Methodology**; |
| “**Fixed Final Sums Profile**” | the profile as applied to **Fixed Final Sums** in accordance with Part Two of the **Final Sums Methodology**; |
| “**Notification of Fixed Final Sums**” | the notification issued by **The Company** to a **User**, in accordance with Part Two of the **Final sums Methodology**, showing the **Fixed Final Sums** such statement to be in substantially the form set out in Exhibit MM3 Part B to the CUSC; |

**6** Edit these definitions at **CUSC** Section 11 as follows (red and strikethrough)

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| **“Attributable Works”** | means:  (1) in the case of **CUSC** Sec 15 Part A, those components of the **Construction Works** which arerequired:  (a) to connect a **Power Station** or **Interconnector** which is to be connected at a **Connection Site** to the nearest suitable **MITS Node**; or (b) in respect of an **Embedded Power Station** from the relevant **Grid Supply Point** to the nearest suitable **MITS Node**  (and in any case above where the **Construction Works** include a **Transmissio**n substation that once constructed will become the **MITS Node**, the **Attributable Works** will include such **Transmission** substation); and  (2) in the case of **CUSC** Section 15 Part B, those components of the **Construction Works** which arerequired to connect a [**Distribution System** directly connected to the **National Electricity Transmission System** or **Non-Embedded Customer**] which is to be connected at a **Connection Site** to the nearest suitable **MITS Node,**  and which in relation to a particular **User** are in each case as specified in its **Construction Agreement**; |
| **“Attributable Works Capital Cost”** | means the fees, expenses and costs of whatever nature reasonably and properly incurred or due in respect of each component within the **Attributable Works**; |
| “**Cancellation Charge Secured Amount Statement**” | the statement issued by **The Company** to a **User** in accordance with Part Two of the **User Commitment** **Methodology** showing the **Cancellation Charge Secured Amount** for a given **Security Period** such statement to be in substantially the form set out in Exhibit MM2 Part A to the **CUSC**; |
| “**Cancellation Charge Statement**” | the statement issued by **The Company** to a **User** in accordance with Part Two of the **User Commitment** **Methodology** such statement to be in substantially the form set out in Exhibit MM1 Part A to the **CUSC**; |
| **“Distributed Generation”** | means for the purposes of the **Connect and Manage Arrangements,** Section 6and Section 15 Part A of the **CUSC**:   * + - * 1. (a) an **Embedded Power Station** which is the subject of a **Bilateral Embedded Generation Agreement**;   (b) an **Embedded Power Station** which is the subject of a **Bilateral Embedded Licence Exemptable Large Power Station Agreemen**t;  (c) a **Relevant Embedded Medium Power Station**;  a **Relevant Embedded Small Power Station**. |
| **"Final Sums"** | ~~in relation to a particular~~ **~~User~~**~~, as defined in its~~ **~~Construction Agreement~~** the charge payable by certain **Users** in the event of termination of a **Bilateral Connection Agreement** or **Construction Agreement** or a reduction in **Demand Capacity** as calculated in accordance with the **Final Sums Methodology**; |
| “**Key Consents**” | means (a) in the case of **CUSC** Section 15 Part A, those **Consents** a **User** requires in respect of its **Power Station** project which are identified by **The Company** as key for the purposes of Part Three of the **User Commitment** **Methodology** and (b**)** in the case of **CUSC** Section 15 Part Bthose **Consents** a **User** requires in respect of its **[User’s Works]** which are identified by **The Company** as key for the purposes of Part Three of the **Final Sums** **Methodology** and in relation in each case to a particular **User** as defined in its **Construction Agreement**; |
| “**Key Consents In Place Date**” | the date that **The Company** confirms in writing to the **User** that **The Company** is satisfied, for the purposes of (as appropriate to the category of **User**) (a) Part Three of the **User Commitment** **Methodology** or (b)Part Three of the **Final Sums Methodology**, that the **User** has been granted the **Key Consents**; |
| “**Trigger Date**” | as identified by **The Company** in accordance with (as appropriate to the category of **User**) Part Two of the **User Commitment Methodology** or Part Two of the **Final Sums Methodology** and in relation to a particular **User** as defined in its **Construction Agreement**; |
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| “**User Commitment Methodology**” | the methodology and principles applied by **The Company** in the application and calculation of the **Cancellation Charge** and **Cancellation Charge Secured Amount** such principles being set out in **CUSC** Section 15 Part A; |

**7** Edit **CUSC** Section 15 (User Commitment Methodology) into Part A (User Commitment Methodology) and Part B (Final Sums Methodology) as attached and rename Section 15 as “User Commitment and Final Sums Methodologies” and update CUSC Contents Page (and create Contents page for Section 15 front sheet once structure settled)

**8** Edit **CUSC** Exhibits MM1 MM2 and MM3 as mark up attached (additions in red) to create versions for User Commitment and Final Sums (nb to consider whether better to have separately “badged” form as new Exhibits)