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Nadir Hafeez  
Ofgem  
**By email**

Anthony Pygram  
Independent Chair CUSC & Grid Code Panel

21 April 2026

CMP474 Request for Urgency

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for **CMP474: Fixed BSUoS Price reset mechanism**.

On 14 April 2026, **Centrica** raised **CMP474**. The Proposer sent a request to the CUSC Panel Secretary for this modification to be treated as urgent.

**CMP474** seeks to introduce into the Connection and Use of System Code (CUSC) a clear process for when the Balancing Services Use of System (BSUoS) will be reset by the National Energy System Operator (NESO). All documentation for this modification can be located via the following [link](#).

The CUSC Modifications Panel ("the Panel") on 21 April 2026, considered **CMP474** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for Urgency against Ofgem's Urgency criteria (a) which is as follows:

**a) A significant commercial impact on parties, consumers or other stakeholder(s).**

*The Proposer requests that the modification proposal is treated as Urgent because of the significant commercial impact on Suppliers and customers if the defect is not addressed urgently. The war in Iran, and the subsequent impact on energy prices, were unforeseen. NESO is reporting that it is rapidly depleting its working capital and therefore a BSUoS reset is becoming increasingly likely. As shown below, the NESO's forecasts of its under-recovery positions have significantly and steadily deteriorated since February 2026. The NESO's latest forecast suggests it will fully exhaust its working capital facility in October/November 2026.*

*The spike in market prices has created a risk of a mid-period Fixed BSUoS Price revision. If not quickly addressed, suppliers will be exposed to costs they either cannot recover, or will be required to fund, until the domestic price cap catches up (if it does). This, in turn, could result in significant price increases for exposed customers, with little notice. This is a significant commercial risk for Suppliers and their customers.*

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## Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to [Ofgem Guidance on Code Modification Urgency Criteria](#). The unanimous view of the Panel is that **CMP474 does meet** Ofgem's Urgency criteria<sup>1</sup>. Therefore, the recommendation of the Panel is that **CMP474 should be** treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Five Panel members agreed with the Proposer's justification for urgency.
- One Panel member said that there is a material risk on Users from a change to their BSUoS at very short notice. The proposer has clearly explained that the urgent criteria has been met. There should be some consideration to align this modification timeline to CMP475 for efficiency.
- The view of the NESO Panel member was that NESO recognises, especially given currently increasing balancing costs, there is an increasing risk in the near term (which could only be addressed under urgent timescales) to suppliers of a commercial impact from BSUoS tariff resets, which – based on current CUSC rules – can be given with limited notice. Therefore, urgency is needed to be able to consider in a timely manner whether the limit notice is still valid, and if not, what an appropriate set of arrangements are.

## Procedure and Timetable

The Panel discussed an appropriate timetable for **CMP474** in the instance that urgency is granted.

The Panel agreed that **CMP474** subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritises this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

- A Workgroup Consultation period of less than 15 Business Days
- Code Administrator Consultation period of less than 15 Business Days
- There would be less than 5 clear Business Days between publication of the Draft Final Modification Report and Panel's recommendation; and
- There would be less than 5 clear Business Days for Panel to check that their Recommendation Vote had been recorded correctly

<sup>1</sup> Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

- a) A significant commercial impact on parties, consumers or other stakeholder(s); or
- b) A significant impact on the safety and security of the electricity and/or gas systems; or
- c) A party to be in breach of any relevant legal requirements.

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Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely

*Anthony Pygram*

Anthony Pygram  
Independent Chair of the CUSC and Grid Code Panel

### Appendix 1– Urgent Timeline

Modification Stage	Date
Modification presented to Panel	21 April 2026
Workgroup Nominations	21 April – 27 April 2026
Ofgem decision on Urgency	By 5pm on 27 April 2026
Workgroups 1- 4	30 April 2026 07 May 2026 11 May 2026 15 May 2026
Workgroup Consultation	19 May – 25 May 2026
Workgroups 5-8	28 May 2026 02 June 2026 05 June 2026 10 June 2026
Workgroup Report issued to Panel	16 June 2026
Panel sign off that Workgroup Report has met its Terms of Reference	19 June 2026 (Special Panel)
Code Administrator Consultation	23 June – 29 June 2026
Draft Final Modification Report (DFMR) issued to Panel	07 July 2026
Panel undertake DFMR recommendation vote	10 July 2026
Final Modification Report issued to Panel to check votes recorded correctly	10 July 2026
Final Modification Report issued to Ofgem	10 July 2026
Ofgem decision	17 July 2026
Implementation Date	24 July 2026

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### Appendix 2 – Standard Timeline

Modification Stage	Date
Modification presented to Panel	21 April 2026
Workgroup Nominations	21 April – 08 May 2026
Workgroups 1- 5	20 May 2026 11 June 2026 09 July 2026 12 August 2026 09 September 2026
Workgroup Consultation	14 September 2026 – 05 October 2026
Workgroups 6–9	14 October 2026 11 November 2026 09 December 2026 07 January 2027
Workgroup Report issued to Panel	21 January 2027
Panel sign off that Workgroup Report has met its Terms of Reference	29 January 2027
Code Administrator Consultation	8 February 2027 – 01 March 2027
Draft Final Modification Report (DFMR) issued to Panel	18 March 2027
Panel undertake DFMR recommendation vote	26 March 2027
Final Modification Report issued to Panel to check votes recorded correctly	31 March – 07 April 2027
Final Modification Report issued to Ofgem	12 April 2027
Ofgem decision	TBC
Implementation Date	TBC

### Appendix 3 – Panel Urgency Vote

See separate attachment