



AMENDMENT REPORT VOLUME 1

CUSC Amendment Proposal CAP176

Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals

*The purpose of this document is to
assist the Authority in their decision of whether to implement
Amendment Proposal CAP176*

Amendment Ref	CAP176
Issue	V1.0
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Prepared by	National Grid

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
V0.1	03/11/09	National Grid	Draft for comment
V0.2	19/11/09	National Grid	Draft for Panel recommendation vote
V0.3	10/12/09	National Grid	Draft for Panel comment following recommendation vote
V1.0	18/12/09	National Grid	Formal version for submission to the Authority

b Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP176 *Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals* was submitted to the Amendments Panel for consideration on the 25th September 2009. The Proposer requested that the Amendment Proposal proceed directly to wider consultation by The Company.
- 1.2 CAP176 seeks to amend the process described in CUSC 8.21.1.9 through which a review will be conducted following implementation of an Urgent Amendment Proposal. This proposal seeks to make explicit how such a review will take place and tidy up the existing CUSC provision which currently contains some errors.
- 1.3 The proposal also seeks to correct a similar error in the clause relating to post-implementation review after implementation of an amendment in accordance with the Transmission Licence other than pursuant to the standard Amendment Procedures (8.23.5).

Amendments Panel's View

- 1.4 At the Amendments Panel meeting on 27th November 2009, Panel Members voted unanimously that CAP176 better facilitates Applicable CUSC Objective (a) as it would improve the efficiency of the procedures in place for modification of the CUSC.

National Grid's View

- 1.5 As proposer, National Grid supports implementation of CAP176 on the basis that it better achieves the Applicable CUSC Objectives by clarifying the process through which a post-implementation review will take place following implementation of an Urgent Amendment Proposal.
- 1.6 It also better achieves the Applicable CUSC Objectives by clarifying the process through which a post-implementation review will take place following amendment to the CUSC in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures).

PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP176 (see Annex 2) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP176.
- 2.3 CAP176 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on the 25th September

2009. The Amendments Panel determined that CAP176 was appropriate to proceed to wider industry consultation by National Grid.

- 2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. A summary of the representations received in response to the Company consultation is included and copies of each of the responses to the consultation are included in Volume 2 of this Amendment Report.
- 2.5 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP176 seeks to amend the process described in the CUSC through which a review will be conducted following implementation of an Urgent Amendment Proposal (8.21.1.9). This proposal seeks to make explicit how such a review will take place and tidy up the existing CUSC provisions which currently contain some errors.
- 3.2 The current wording within the CUSC regarding post-implementation review following implementation of an Urgent Amendment Proposal contains a defect in that reference is made to Working Group Alternative Amendments (WGAAAs), and the possibility for Working Groups to conduct the review. Under the CUSC provisions this would in fact not be possible as following implementation there would be no Working Group established through which such a review could be conducted nor original Amendment Proposal to which a WGAA may be raised. As such the provisions within the CUSC could not reasonably be applied to such a post-implementation review, and recent experience (particularly with CAP168 and CAP170 which were progressed as Urgent Amendment Proposals) has shown that the deficiency in this wording has caused confusion with regards the interpretation of the clause.
- 3.3 CAP176, therefore, seeks to introduce appropriate provisions within CUSC 8.21.1.9 to reflect how such a post-implementation review of an Urgent Amendment Proposal would be conducted i.e. by Standing Group, with reference being made to a possible alternative amendment which may be developed.
- 3.4 Currently the CUSC provisions require that such a review "shall" be carried out in all circumstances following implementation of an Urgent Amendment Proposal. CAP176 seeks to introduce that such a review "may" be conducted, or "shall" only where there appears to be a reasonable level of support for such a review. This enhancement to the existing provision should ensure that such a review only takes place where it is deemed to be necessary by the CUSC Amendments Panel.
- 3.5 Section 8.23.5 of the CUSC describes the process through which a review will be conducted should amendment to the CUSC be made in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures). This clause also makes reference to WGAAAs – which, as with the post-implementation review for an Urgent Amendment Proposal, is not appropriate as a WGAA could not be raised with no original Amendment Proposal against which to raise such a WGAA. Therefore,

CAP176 seeks to clarify that the review would seek to determine if an alternative amendment would better facilitate the objectives as opposed to a WGAA.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

4.1 The Proposer considers that CAP176 would better facilitate the following Applicable CUSC Objective:

(a) *the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence;*

By clarifying the process through which a post-implementation review will take place following implementation of an Urgent Amendment Proposal; and clarifying the process through which a post-implementation review will take place following amendment to the CUSC in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures).

5.0 PROPOSED IMPLEMENTATION

5.1 National Grid proposes that CAP176 should be implemented three Business Days following a decision by the Authority. No responses were received on the proposed implementation date following the Company consultation.

6.0 IMPACT ON THE CUSC

6.1 CAP176 requires amendment to sections 8.21.1.9 and 8.23.5 of the CUSC.

6.2 The text required to give effect to the Amendment Proposal is contained as Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

7.1 CAP176 has no impact upon Core Industry Documents.

Impact on other Industry Documents

7.2 CAP176 has no impact upon other Industry Documents.

8.0 NATIONAL GRID VIEW

8.1 As proposer, National Grid supports implementation of CAP176 on the basis that it better achieves Applicable CUSC Objective (a) by clarifying the process through which a post-implementation review would take place following implementation of an Urgent Amendment Proposal. CAP176 would

also clarify the process through which a post-implementation review will take place following amendment to the CUSC in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures).

9.0 INDUSTRY VIEWS AND REPRESENTATIONS

9.1 CAP176 was issued to wider consultation by National Grid on 7th October 2009 and received 4 representations. The following table provides an overview of the representations received; full copies are contained in the Amendment Report Volume 2.

Reference	Company	Supportive	Comments
CAP176-CR-01	EDF ENERGY	Yes	<ul style="list-style-type: none"> • With regards to the post-implementation review of Urgent Amendment Proposals CAP176 seeks to introduce that this “may” be conducted, and “shall” only where there appears to be a reasonable level of support for such a review – EDF ENERGY entirely agrees that this should ensure that such a review only takes place where it is deemed to be necessary by the Amendments Panel. • Section 8.23.5 has an error in referring to a Working Group Alternative Amendment in a context where this is not valid - CAP176 would correct the wording error.
CAP176-CR-02	RWE group of companies including RWE Npower, RWE Supply and Trading GmbH and RWE npower renewables, a fully owned subsidiary of RWE Innogy	Yes	<ul style="list-style-type: none"> • Support the views expressed in the consultation document. • Believe that the Amendment Proposal reflects discussions at the CUSC Governance Standing Group on the urgency provisions in the CUSC. • It is appropriate that the processes associated with Urgent Amendment Proposal are clarified. • Agree with National Grid that CAP176 better facilitates the Applicable CUSC Objectives.
CAP176-CR-03	ScottishPowers’s Energy Wholesale Business which includes ScottishPower Generation Ltd, Scottish Power Energy Management Ltd and ScottishPower Renewable Energy Ltd	Yes	<ul style="list-style-type: none"> • Supports the proposed changes around the CUSC Urgent Amendment process • Agree that these changes would add clarification, while simplifying the Urgent Proposal process

Reference	Company	Supportive	Comments
CAP176-CR-04	Keadby Generation Ltd.; SSE Energy Supply Ltd.; SSE Generation Ltd.; Medway Power Ltd.; Slough Energy Supplies Ltd.; Airtricity Ltd. and Airtricity Generation (UK) Ltd.	Yes	<ul style="list-style-type: none"> • Welcome the proposed changes. • A pragmatic development in light of recent experience with 'urgent' CUSC Amendment Proposals and in particular the concerns that were raised at the CUSC Panel with respect to the process followed with CAP168 and CAP170. • Agree with the National Grid view (as set out in paragraph 1.5 and 1.6 of this Amendment Report) that CAP176 would better facilitate the Applicable CUSC Objectives – in particular Objective (a)

10.0 COMMENTS ON THE DRAFT AMENDMENT REPORT

10.1 National Grid received one response following the publication of the first draft of the Amendment Report on 3rd November 2009. This response came from EDF Energy and indicated that the CAP176 draft Amendment Report and the summary therein of EDF Energy's submission to the Company consultation appear to be reasonable, comprehensive, and without error. EDF Energy notes the support given to the proposed amendment by the other respondents, and continues to support the amendment as better facilitating the Applicable CUSC Objectives. A copy of this representation is contained in Amendment Report Volume 2.

11.0 AMENDMENTS PANEL RECOMMENDATION

11.1 At the meeting of the CUSC Amendments Panel on 27th November 2009, the Panel Members voted unanimously that CAP176 better facilitates achievement of Applicable CUSC Objective (a). None of the Panel Members voted that it better facilitates achievement of Applicable CUSC Objective (b).

11.2 The table below shows a breakdown of Panel Members' voting against the CUSC Applicable Objectives and the rationale for such votes. For ease of reference, the Objectives are reproduced here:

(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

Panel Member (Representation in brackets)	Better meets Applicable CUSC Objective (a)
Barbara Vest (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.

Panel Member (Representation in brackets)	Better meets Applicable CUSC Objective (a)
Bob Brown (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Bob Brown acting as alternate for Abigail Hall (Consumer)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Fiona Navesey (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Garth Graham (User)	Yes. Mindful, in particular, of the comments in paragraphs 1.6, 3.2 and 8.1 of the report together with consultation responses, CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Paul Jones (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Paul Mott (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
Simon Lord (User)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.
David Smith (National Grid)	Yes. CAP176 would better facilitate Applicable CUSC Objective (a) by improving the efficiency of the procedures in place for modification of the CUSC.

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 As proposer, National Grid supports implementation of CAP176 on the basis that it better achieves the Applicable CUSC Objective (a). National Grid considers that CAP176 would clarify the process through which a post-implementation review would take place following implementation of an Urgent Amendment Proposal. CAP176 would also clarify the process through which a post-implementation review will take place following amendment to the CUSC in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures).

12.1 ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed legal text to modify the CUSC is detailed below by:

- inserting the coloured, underlined text
- deleting the coloured, struck through text

8.21.1.9 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph ~~8.21.1.5~~ 8.23, the **Amendments Panel** may or (where it appears to the Amendments Panel that there is a reasonable level of support for a review amongst CUSC Parties) shall, following such amendment, action a Standing Group determine whether or by a Working Group in accordance with ~~Paragraphs 8.17 or~~ 8.18 on terms specified by the **Amendments Panel** ~~in order~~ to consider and report as to whether any alternative amendment Working Group Alternative Amendment could, as compared with ~~the such~~ amendment ~~being made~~ better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**.

8.23.5 If an amendment is made to the **CUSC** in accordance with the **Transmission Licence** but other than pursuant to the other **Amendment Procedures** in this Section 8, the **Amendments Panel** shall determine whether or not to submit the amendment for review by a **Standing Group** in accordance with Paragraph 8.18 on terms specified by the **Amendments Panel** ~~in order~~ to consider and report as to whether any alternative amendment Working Group Alternative Amendment could, as compared with ~~the such~~ amendment ~~being made~~ better facilitate achieving the **Applicable CUSC Objectives** in respect of the subject matter of the original amendment.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:176
Title of Amendment Proposal: Correction of errors contained in the CUSC provisions for post-implementation reviews for Urgent Amendment Proposals	
Description of the Proposed Amendment <i>(mandatory by proposer):</i> This Amendment Proposal seeks to amend the process described in the CUSC through which a review will be conducted following implementation of an Urgent Amendment Proposal (8.21.1.9). This proposal seeks to make explicit how such a review will take place and tidy up the existing CUSC provisions which currently contain some errors. The proposal also seeks to correct an error in the clause relating to post-implementation review after implementation of an amendment in accordance with the Transmission Licence other than pursuant to the standard Amendment Procedures (8.23.5).	
Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i> The current wording within the CUSC regarding post-implementation review following implementation of an Urgent Amendment Proposal contains a defect in that reference is made to Working Group Alternative Amendments (WGAAs), and the possibility for Working Groups to conduct the review. Under the CUSC provisions this would in fact not be possible as following implementation there would be no Working Group established through which such a review could be conducted nor Amendment Proposal to which a WGAA may be raised. As such the provisions within the CUSC could not reasonably be applied to such a post-implementation review, and recent experience (particularly with CAP168 and CAP170 which were progressed as Urgent Amendment Proposals) has shown that the deficiency in this wording has caused confusion with regards the interpretation of the clause. This Amendment Proposal, therefore, seeks to introduce appropriate provisions within CUSC 8.21.1.9 to reflect how such a post-implementation review of an Urgent Amendment Proposal would be conducted. The proposal also seeks to introduce that such a review “may” be actioned, or “shall” where there appears to be a reasonable level of support for such a review. This will ensure that such a review only takes place where it is deemed to be necessary by the CUSC Amendments Panel. Finally section 8.23.5 of the CUSC describes the process through which a review will be conducted should amendment to the CUSC be made in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures). This clause also makes reference to WGAAs – which again could not be raised in this instance as there will be no original Amendment Proposal against which such an alternative could be raised. As such this proposal seeks to clarify that the review would seek to determine if an alternative Amendment Proposal would better facilitate the objectives as opposed to a WGAA.	
Impact on the CUSC <i>(this should be given where possible):</i> Sections 8.21.1.9 and 8.23.5 of the CUSC will require amendment.	
Impact on Core Industry Documentation <i>(this should be given where possible):</i> None	
Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i> None	

Details of any Related Modifications to Other Industry Codes (where known):

None

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**
(mandatory by proposer):

National Grid believes that this proposal will better facilitate CUSC Applicable Objective (a):

The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence by:

- i) Clarifying the process through which a post-implementation review will take place following implementation of an Urgent Amendment Proposal;
- ii) Clarifying the process through which a post-implementation review will take place following amendment to the CUSC in accordance with the Transmission Licence (other than pursuant to the standard Amendment Procedures)

Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Carole Hook National Grid 01926 654211 carole.hook@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Alex Thomason National Grid 01926 656379 Alex.thomason@uk.ngrid.com
Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Please see annex 1 to this Amendment Proposal for the proposed drafting to support the amendment (1 page).	