



CONSULTATION DOCUMENT VOLUME 1

CUSC Amendment Proposal CAP177

Removal of CUSC Amendments Panel's ability to raise Amendment Proposals

The purpose of this document is to consult on Amendment Proposal CAP177 with CUSC Parties and other interested Industry members

Amendment Ref	CAP177
Issue	1.0
Date of Issue	7 th October 2009
Prepared by	National Grid

Please note responses to this consultation are due by 5pm on the 29th October to cusc.team@uk.ngrid.com

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
1.0	07/10/09	National Grid	Version for publication

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 CAP177 *Removal of the CUSC Amendments Panel's ability to raise Amendment Proposals* was submitted to the Amendments Panel for consideration on 25th September 2009. The Proposer requested that the Amendment Proposal proceed directly to wider consultation by The Company.
- 1.2 The CUSC currently allows for the CUSC Amendments Panel to raise an Amendment Proposal to the CUSC following a post-implementation review after amendment has been made to the CUSC other than pursuant to the standard Amendment Procedure when either:
 - 1.2.1 Amendment to the CUSC has been made based on an Urgent Amendment Proposal, or
 - 1.2.2 Amendment to the CUSC has been made in accordance with the Transmission Licence.
- 1.3 CAP177 seeks to amend the CUSC to remove the ability for the CUSC Amendments Panel to raise Amendment Proposals in these circumstances as currently provided for in the CUSC.
- 1.4 CAP177 was discussed at the CUSC Governance Standing Group (the GSG) as part of a wider review of the urgency provisions within in the CUSC. The GSG questioned the appropriateness of the Amendments Panel being able to both raise and recommend on a proposal. It was therefore agreed that CAP177 would be raised by National Grid to propose amendment to this provision.

Amendments Panel's View

- 1.5 The Amendments Panel agreed that CAP177 should proceed directly to wider consultation by the Company for a period of three weeks.

National Grid's View

- 1.6 As proposer, National Grid supports implementation of CAP177 on the basis that it better achieves the Applicable CUSC Objectives by ensuring that the CUSC Amendments Panel are not able to both raise and recommend on an Amendment Proposal.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This is a consultation document 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 CAP177, this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 CAP177 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 25th September

2009. The Amendments Panel determined that CAP177 was appropriate to proceed to wider industry consultation by National Grid.

- 2.4 Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.5 This consultation document 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/. This document invites views upon CAP177 and the **closing date for responses is 29th October 2009**.

3.0 PROPOSED AMENDMENT

- 3.1 CAP177 seeks to amend section 8.15.1 of the CUSC in order to remove the ability for the CUSC Amendments Panel to raise Amendment Proposals, as currently provided for in certain circumstances laid out in the CUSC.
- 3.2 The CUSC currently allows for the CUSC Amendments Panel to raise an Amendment Proposal to the CUSC following a post-implementation review after amendment has been made to the CUSC other than pursuant to the standard Amendment Procedure when either:
 - 3.2.1 Amendment to the CUSC has been made based on an Urgent Amendment Proposal, or
 - 3.2.2 Amendment to the CUSC has been made in accordance with the Transmission Licence.
- 3.3 The CUSC Governance Standing Group (the GSG) has recently reviewed some of the provisions of the governance process within the CUSC (in particular focusing on urgency), and as part of this review questioned the appropriateness of the CUSC Amendments Panel being able to raise an Amendment Proposal and then recommend on that same proposal as part of the standard Amendment Procedure. The GSG concluded that this did not feel appropriate as it may result in the potential outcome of the Amendments Panel's recommendation vote being perceived as being a foregone conclusion given that the Amendment Proposal will have been raised by the Amendments Panel. The group concluded that if, following such a post-implementation review, an Amendment Proposal was deemed to be required, the onus should be on a party to the CUSC (or BSC Party or National Consumer Council) to raise such amendment.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 The Proposer considers that CAP177 would better facilitate Applicable CUSC Objective:
 - (a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence;

By ensuring that the CUSC Amendments Panel are not able to both raise and recommend on an Amendment Proposal, thereby ensuring that there is no

risk that the potential outcome of the Amendments Panel's recommendation vote is perceived as being a foregone conclusion given that the Amendment Proposal will have been raised by the Amendments Panel.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes that CAP177 should be implemented three Business Days after an Authority decision. In accordance with 8.10.4(b) views are invited on this proposed implementation date.

6.0 IMPACT ON THE CUSC

- 6.1 CAP177 requires amendments to 8.15.1 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 CAP177 has no impact upon Core Industry Documents.

Impact on other Industry Documents

- 7.2 CAP177 has no impact upon other Industry Documents.

8.0 AMENDMENTS PANEL'S VIEW

- 8.1 The Amendments Panel noted that there may be an interaction between this CAP177 and Ofgem's ongoing Industry Code Governance Review, particularly the Role of Code Administrators workstream where it is being proposed that the Amendments Panel's be given a role in raising Amendment Proposals in prescribed circumstances. Ofgem's initial proposals consultation on the Role of Code Administrators and Small Participant/Consumer Initiatives contains the full detail of this.¹

9.0 NATIONAL GRID VIEW

- 9.1 As proposer, National Grid supports implementation of CAP177 on the basis that it better achieves the Applicable CUSC Objectives by ensuring that the CUSC Amendments Panel are not able to both raise and recommend on an Amendment Proposal, thereby ensuring that there is no risk that the potential outcome of the Amendments Panel's recommendation vote is perceived as being a foregone conclusion given that the Amendment Proposal will have been raised by the Amendments Panel.

¹ Chapter 2: <http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Pages/GCR.asp>

10.0 VIEWS INVITED

- 9.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP177 and issues arising from the proposed timescale for implementation of CAP177.
- 9.2 Please send your responses to this consultation to National Grid by no later than 5pm on **29 October 2009**.
- 9.3 Please address all comments to the following e-mail address:
Cusc.Team@uk.ngrid.com

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed legal text to modify the CUSC is detailed below by deleting the coloured, struck through text.

- 8.15.1 A proposal to modify the **CUSC** may be made by a **CUSC Party**, by the **National Consumer Council** or by a **BSC Party** ~~or, under Paragraphs 8.21.8 and 8.23.5, by the Amendments Panel~~ or by a **Relevant Transmission Licensee** in relation to Exhibit O Part IB and Exhibit O Part IIB only.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:177
Title of Amendment Proposal: Removal of CUSC Amendments Panel's ability to raise Amendment Proposals.	
Description of the Proposed Amendment (mandatory by proposer): This proposal seeks to amend section 8.15.1 of the CUSC in order to remove the ability for the CUSC Amendments Panel to raise Amendment Proposals, as currently provided for in certain circumstances laid out in the CUSC.	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): The CUSC currently allows for the CUSC Amendments Panel to raise an Amendment Proposal to the CUSC following a post-implementation review after amendment has been made to the CUSC other than pursuant to the standard Amendment Procedure when either: <ul style="list-style-type: none"> • Amendment to the CUSC has been made based on an Urgent Amendment Proposal, or • Amendment to the CUSC has been made in accordance with the Transmission Licence. <p>The CUSC Governance Standing Group (GSG) has recently reviewed some of the provisions of the governance process within the CUSC (in particular focusing on urgency), and as part of this review questioned the appropriateness of the CUSC Amendments Panel being able to raise an Amendment Proposal and then recommend on that same proposal as part of the standard Amendment Procedures. The GSG concluded that this did not feel appropriate, and if following such a post-implementation review an Amendment Proposal was deemed to be required, the onus would be on a party to the CUSC (or BSC Party or National Consumer Council) to raise such amendment.</p>	
Impact on the CUSC (this should be given where possible): Sections 8.15.1 of the CUSC will require amendment.	
Impact on Core Industry Documentation (this should be given where possible): None	
Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible): 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): (a) The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence by ensuring that the CUSC Amendments Panel are not able to both raise and recommend on an Amendment Proposal.	

Details of Proposer: Organisation's Name:	National Grid
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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).	