

Amendment proposal:	Connection and Use of System Code (CUSC) Amendment Proposal 159: Arrangements for CUSC Mid-Term elections (CAP159)		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	National Grid Electricity Transmission, Parties to the CUSC and other interested parties		
Date of publication:	27 February 2008	Implementation Date:	27 February 2008

Background to the amendment proposal

The governance and administration arrangements of the CUSC are overseen by a panel of industry representatives. Up to seven members of the Panel are elected by Users under the CUSC. Members are elected for a term of office of two years, following which new elections must take place. At the same time as electing Panel Members, Users also elect up to five Alternate Panel Members. Such Alternates can act in the place of regular Panel Members on occasions when regular Panel Members are unable to attend to CUSC business. If during a two year period, an elected regular Panel Member resigns or is otherwise unable to continue, their post may be taken by an elected Alternate Panel Member. If however there are no Alternate Panel Members available to take their place, then there are no provisions in the CUSC to allow for mid term elections to be held to elect a new member or members for the remainder of the two year term.

At present, a situation has arisen, where an existing Panel Member has resigned and there are no Alternate Panel Members available to take his place. This increases the risk that the quorum requirements of the CUSC Panel may not be met.

The Amendment Proposal

The Proposed Amendment would allow for mid term elections to take place to elect a Panel Member and Alternate Panel Members. Such elections would be held if an existing Panel Member resigns or be otherwise unable to continue in their post and there are no elected Alternate Panel Members to replace them.

A mid term election would only be triggered if there was more than six months remaining of the current two year term. Otherwise, the vacancy would be held over until the next main election.

The proposer considers that this amendment would reduce the risk of Panel meetings not achieving the quorum requirements and thereby better facilitate achievement of applicable CUSC Objective (a), *the efficient discharge by the Licensee of the obligations imposed upon it by the Act and the Transmission Licence.*

CUSC Panel³ recommendation

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ The CUSC Panel is established and constituted from time to time pursuant to and in accordance with the section 8 of the CUSC.

At its meeting on 25 January 2008, the CUSC Panel unanimously recommended that CAP159 should be implemented.

The Authority's decision

The Authority has considered the issues raised by the proposal and the Amendment Report dated 4 February 2008. The Authority has also considered and taken into account the views of respondents to the consultations and those of the CUSC Panel.

The Authority is of the view that:

1. implementing CAP159 would better facilitate the applicable CUSC objectives; and
2. directing that CAP159 be made is consistent with the Authority's principal objective and statutory duties.⁴

Reasons for the Authority's decision

The CUSC Panel forms an integral part in managing the administration of the CUSC arrangements. It is important that Users are adequately represented at the Panel and that there is always a sufficient pool of Members available to attend CUSC Panels, to carry out CUSC Panel business and to minimise the risk of not meeting the Panel Quorum requirements.

We consider that in the event that the pool of Members becomes depleted, it would better facilitate achievement of Applicable CUSC Objective (a), '*the efficient discharge by the licensee of the obligations imposed upon it under... [its license]*' for mid term Panel elections to be held so that additional members can be recruited.

This would ensure that appropriate User representation is maintained to attend to CUSC Panel business and the risks of not meeting CUSC Panel quorum requirements are minimised.

Decision Notice

In accordance with Standard Condition C10 of NGET's Transmission Licence, the Authority, hereby directs that amendment proposal CAP159 "*Arrangements for CUSC Mid-Term elections*" be made.



Mark Feather

Director, Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.

⁴ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.