

CUSC Amendment Proposal Form	CAP: 186
<p>Title of Amendment Proposal:</p> <p>Code Governance Review: Send Back Process</p>	
<p>Description of the Proposed Amendment <i>(mandatory by proposer):</i></p> <p>This Amendment Proposal is part of a series of proposals raised by National Grid to implement the Final Proposals of the wider Code Governance Review which was initiated by Ofgem in November 2007. The review sought to address concerns that the existing code arrangements may be too complex and inaccessible to smaller market participants. Given the Authority's evolving role with the introduction of additional statutory duties and the right of appeal to the Competition Commission, such a review was considered to be conducted at an appropriate time.</p> <p>Ofgem published its Final Proposals for the Code Governance Review in March 2010, followed by its statutory consultation on licence modifications on 3rd June 2010. National Grid Electricity Transmission plc has not objected to the licence modifications. As part of the suite of work strands conducted during the Code Governance Review, one of the proposals identified was the introduction of a 'Send Back' process.</p> <p>This would enable the Authority to send back an Amendment Report to the Amendments Panel in circumstances where the Authority considers that it is unable to form a decision based on the content of the report. It is judged that the 'send back' provisions will provide an effective safeguard against the Authority being placed in a position where it is unable to approve a proposal owing to deficiencies in the report such as an insufficient assessment, incorrect legal texts or other technical issues. The Authority can then specify the action that it believes is required in order to make the report complete. The "Send Back" process provides flexibility to allow for any situation and for the Panel to re-make a recommendation based upon work carried out.</p> <p>National Grid proposes an Amendment to the CUSC in order to incorporate the following new process:</p> <ol style="list-style-type: none"> 1. Following submission of a final Amendment Report to the Authority, the Authority may 'send back' the Report if it is unable to form an opinion for the reasons detailed above and may issue a direction to the panel specifying the steps, revision, analysis or information it requires in order to form an opinion. 2. The Panel considers the Authority's direction at its next meeting and makes a decision on the course of action required and the timetable to which it must work to, as agreed by Ofgem. 3. The course of action will depend on Ofgem's direction. If the direction is detailed and gives specific steps and timescales, the Panel will follow this and take actions as appropriate. If the direction is not detailed, the Panel will make their own recommendations in terms of the next steps and timescales. 4. Once the necessary changes have been made to the Report, the Panel will retake the Panel Recommendation Vote and the Report will be re-submitted to the Authority. 	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i></p> <p>This proposal results from the Code Governance Review and associated licence modifications which will have a direct impact on the CUSC. National Grid Electricity Transmission plc has not objected to the licence modifications and is therefore mandated by the new licence obligations to make the changes and additions to the CUSC where applicable.</p>	
<p>Impact on the CUSC <i>(this should be given where possible):</i></p> <p>Changes are required to Section 8 of the CUSC in relation to adding in the 'send back' process.</p>	

<p>Impact on Core Industry Documentation (<i>this should be given where possible</i>):</p> <p>None anticipated</p>
<p>Impact on Computer Systems and Processes used by CUSC Parties (<i>this should be given where possible</i>):</p> <p>None anticipated.</p>
<p>Details of any Related Modifications to Other Industry Codes (<i>where known</i>):</p> <p>National Grid intends to raise similar proposals to both the BSC and the UNC, in line with the timetable which has been published to the industry in June 2010. These modification proposals will not interact with the changes proposed to the CUSC.</p>
<p>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (<i>mandatory by proposer</i>):</p> <p>National Grid considers that implementation of this Amendment Proposal would better facilitate the following Applicable CUSC Objective:</p> <p>(a): <i>"the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence"</i>, specifically with regard to the obligation under standard condition C10 of the licence, by permitting the Authority to send back an Amendment Report and issue a direction to the Panel if they cannot properly form an opinion.</p> <p>This is a mandatory requirement under the new Licence Modifications which National Grid Electricity Transmission plc has not objected to.</p>

<p>Details of Proposer: Organisation's Name:</p>	National Grid Electricity Transmission plc
<p>Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")</p>	CUSC Party
<p>Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:</p>	<p>Emma Clark National Grid Electricity Transmission plc 01926 655223 emma.clark@uk.ngrid.com</p>
<p>Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:</p>	<p>Alex Thomason National Grid Electricity Transmission plc 01926 656379 Alex.thomason@uk.ngrid.com</p>
<p>Attachments:</p>	<p>Appendix 1 –Legal text to support this Proposal</p>

Notes:

- Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form

seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.

2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Steven Lam
Commercial
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Or via e-mail to: steven.lam@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1. Reference should be made to this section when considering a proposed amendment.

Appendix 1: Legal Text

The following amendments shall be made at Section 8 of CUSC.

Add the following as Paragraph 8.20.9 and 8.20.10

8.20.9 If the **Authority** determines that the **Amendment Report** is such that the **Authority** cannot properly form an opinion on the **Proposed Amendment**, it may issue a direction to the **Amendments Panel**:

- (a) specifying the additional steps (including legal drafting or amending existing legal drafting associated with the **Proposed Amendment**), revision (including revision to the timetable), analysis or information that it requires in order to form such an opinion; and
- (b) requiring the **Amendment Report** to be revised and to be re-submitted.

8.20.10 If an **Amendment Report** is to be revised and re-submitted in accordance with a direction issued pursuant to Paragraph 8.20.9, it shall be re-submitted as soon after the **Authority's** direction as is appropriate, taking into account the complexity, importance and urgency of the **Proposed Amendment**. The **Amendments Panel** shall decide on the level of analysis and consultation required in order to comply with the **Authority's** direction and shall agree an appropriate timetable for meeting its obligations. Once the **Amendment Report** is revised, the **Amendments Panel** shall carry out its **Amendments Panel Recommendation Vote** again in respect of the revised **Amendment Report** and re-submit it to the **Authority**. The **Authority** will then approve or not approve the **Proposed Amendment** or issue another direction pursuant to Paragraph 8.20.9.