



## **AMENDMENT REPORT**

### **CUSC Proposed Amendment CAP103**

### **Flexibility of Working Group Internal Procedures**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP103*

Amendment Ref	CAP103
Issue	1.0
Date of Issue	16 <sup>th</sup> November 2005
Prepared by	National Grid

**I DOCUMENT CONTROL****a National Grid Document Control**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Change Reference</b>
0.1	07/11/05	National Grid	Draft for internal comment
0.2	08/11/05	National Grid	Draft for Industry comment
1.0	16/11/05	National Grid	Formal version for submission to the Authority

**b Document Location**

Nation Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments>

**c Distribution**

<b>Name</b>	<b>Organisation</b>
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 RECOMMENDATION

- 1.1 CAP103 – Flexibility of Working Group Procedures, aims, in the view of the proposer, to clarify and provide greater efficiency and flexibility in relation to two aspects of Working Group procedures. Firstly, CAP103 addresses the fact that currently only the Amendments Panel is authorised to vary Working Group membership. Secondly, CAP103 also proposes to reduce of the approval period for Working Group Reports, from 5 days to 3 days, if all Working Group members agree.
- 1.2 CAP103 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29<sup>th</sup> July 2005. The Amendments Panel referred CAP103 to the Governance Standing Group acting as a Working Group.
- 1.3 The Working Group Report was submitted to the CUSC Amendments Panel for consideration at their meeting on 23<sup>rd</sup> September 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.
- 1.4 In this consultation, National Grid highlighted that all Working Group Members agreed to develop a Working Group Alternative Amendment (WGAA), which all believed better facilitated the relevant applicable objectives, in a way which on reflection they believed the Original proposal did not. Hence, the Original proposal was not fully worked up, and no legal text has been provided in relation to it.
- 1.5 The Consultation Paper for CAP103 was published by National Grid on 30<sup>th</sup> September 2005, placed on the CUSC website and copies sent to Core Industry Document Owners and CUSC Parties. Responses were invited by close of business on 14<sup>th</sup> October 2005.
- 1.6 National Grid received a total of 5 responses to the consultation for CAP103. Centrica proposed a Consultation Alternative Amendment to CAP103. Under the terms of the CUSC this required a further period of consultation to be undertaken in order to allow the industry to consider the proposed Consultation Alternative Amendment, and this Consultation Alternative Amendment Consultation Paper was published by National Grid on 20<sup>th</sup> October 2005. Responses were invited by close of business on 3<sup>rd</sup> November 2005.
- 1.7 National Grid received a total of 2 responses to this further period of Consultation for CAP103.

### National Grid Recommendation

- 1.8 National Grid believes the current CUSC provisions regarding Working Groups are potentially too prescriptive. National Grid supports the WGAA as it provides a pragmatic approach when agreeing Working Group membership and the ability to reduce timescales, which will improve efficiency. National Grid believes the CAP103 WGAA will better facilitate CUSC Objective (a) (The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence), by improving the flexibility and efficiency of Working Group processes.
- 1.9 However, National Grid believes that the Consultation Alternative Amendment proposed by Centrica better facilitates the applicable objectives than the WGAA. We believe that it is entirely logical to apply the provisions of

the CAP103 WGAA to Standing Groups as well as Working Groups. Further, National Grid agree that in practice the maintenance of a specific list from whom membership can be drawn has proved to be inefficient, and of little practical use in the appointing of Members to Working Groups. Hence, National Grid would support the removal of the obligation on National Grid to maintain such a list.

- 1.10 National Grid believes that, should the Authority approve CAP103, implementation should be ten business days after the Authority decision.

## **2.0 PURPOSE AND SCOPE OF THE REPORT**

- 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. It addresses issues relating to increasing flexibility of Working Group Procedures.
- 2.2 Further to the submission of Amendment Proposal CAP103 (see Annex 1) 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 CAP103.
- 2.3 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid’s recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a ‘summary’ of the representations received is also provided. Copies of each of the responses to the consultation and further consultation are included as Annex 3 of this document.
- 2.4 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 <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments>.

## **3.0 THE PROPOSED AMENDMENT**

### **Background**

- 3.1 CAP103 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29<sup>th</sup> July 2005. The Amendments Panel referred CAP103 to the Governance Standing Group acting as a Working Group.

### **The Proposed Amendment**

- 3.1 The proposer identified two potential deficiencies within the current CUSC baseline regarding Working Group processes. Currently, all Working Groups must process all changes of membership through the CUSC Amendments Panel. The proposer noted that this process potentially raised issues in circumstances where Working Group Members who had been nominated by the Amendments Panel, sent someone to a Working Group in their place, when they were unable to attend. There is ambiguity as to the role and status of such people, which has the potential to cause procedural concerns, given the recent introduction of the Appeals mechanism.

- 3.2 The proposer also felt that failure to find a mechanism to allow such people to play a full part in Working Group discussions was inefficient, given that only so many industry participants were ever at a Working Group meeting and there was a need to ensure that the industry was inclusive and received all volunteered support in the development of Amendment proposals.
- 3.3 The Original Amendment Proposal suggested Working Group members should be allowed to agree interim changes in membership until the next Amendments Panel, where the Panel has the opportunity to uphold or overturn the Working Group decision in relation to a change of membership. This would act as a safeguard, to enable the Amendments Panel to continue to sanction the Working Group decision.
- 3.4 The second deficiency identified relates to the 5 day period for the circulation and approval of Working Group Reports. The 5 day period can be problematic in achieving the CUSC Panel Paper Submission date and could potentially have a knock on effect on the modification timeline.
- 3.5 For example, when a Working Group has been given a month to undertake an assessment, the actual time for assessment under the current arrangements is less than a month. All Working Group Reports must be submitted to the Panel Secretary 5 or 3 working days (only Panel Members can use the reduced timescale) prior to the Amendments Panel meeting. In addition, the draft Working Group Report must be circulated for 5 days for approval. This therefore reduces the assessment time to a period of less than 2 weeks.
- 3.6 It is proposed that the 5 day period could be reduced to 3 days, if all the Working Group members agree. Where a Working Group member is uncomfortable with the reduction, the 5 day period would remain as the default position.
- 3.7 However, the first element of the Original Amendment Proposal was not fully worked up due to risks identified by the Working Group, and, as a result, a Working Group Amendment Alternative was developed.

#### **4.0 WORKING GROUP DISCUSSIONS**

- 4.1 The Working Group agreed with the proposer that there is a defect within the CUSC baseline. All members agreed that the Working Group membership rules were too prescriptive and inflexible, and that the introduction of the Appeals mechanism potentially created further issues in this area.
- 4.2 However, the Working Group believed the proposer's solution would not improve efficiency. Working Group members believed the Original proposal posed two risks:
- (a) Firstly, if Working Group members could freely appoint new members this could be used to favour one side of an argument creating an imbalance.
  - (b) Secondly, if the Panel overturned an appointment at the next Amendments Panel Meeting, the validity of the groups' discussions could be questioned as the redundant member may have influenced the discussions in a particular direction. In addition, if a redundant

member proposed a WGAA, the legitimacy of that the WGAA would be in doubt, as it was not proposed by a Working Group member.

- 4.3 Collectively the Working Group agreed that the Working Group Chairman, who is appointed by the Amendments Panel to act impartially and independently under CUSC provision 8.17.4 should be given authority from the Amendments Panel to vary Working Group membership. The group believed the current provision requiring the Amendments Panel to always authorise variations to membership was unnecessary. The Working Group further agreed that there were no examples of the Amendments Panel ever refusing a variation in Working Group membership, and hence did not believe that this needed to remain at the sole discretion of the Amendments Panel function.
- 4.4 The Working Group collectively developed the WGAA in the belief it would better facilitate CUSC Objective (a) without increase the administrative burden on National Grid. Consequently, the Working Group decided not to fully develop element one of the Original proposal due to the risks and difficulties identified above. In the consultation document it was noted that, were any party to believe that the Original approach represented a more effective solution in this area, it would be possible for them to propose this as a Consultation Alternative Amendment should they so wish. No such alternatives were proposed.
- 4.5 The Working Group agreed with the proposer that the time period for the circulation of Working Group Reports (5 days) could be problematic in achieving the CUSC Panel Paper Submission Date.
- 4.6 All Working Group Members agreed with the Amendment Proposal to allow the relaxation of the 5 day circulation rule to 3 days, subject to group consensus, whilst maintaining the default position of 5 days if a Working Group member did not agree.

## **5.0 WORKING GROUP ALTERNATIVE AMENDMENT**

- 5.1 The Working Group Amendment Alternative was developed to provide a different solution to the first element of the original proposal, variation of Working Group membership. The WGAA was supported by all members of the group.
- 5.2 The Working Group unanimously agreed that the Chairman should be provided with expressed delegated authority to vary Working Group membership without requiring the Amendments Panel to sanction the decision.
- 5.3 The Amendments Panel under CUSC paragraph 8.17.4 appoints the Working Group Chairman, and the Chairman has a duty to act independently and should have the authority to appoint future members to the group without affecting the Panels discretion to appoint members when the Working Group is established under CUSC paragraph 8.17.3.
- 5.4 The second element of the Original Proposal remained unchanged. It was proposed that the 5 day period could be reduced to 3 days, if all the Working Group members agree. Where a Working Group member was uncomfortable with the reduction, the 5 day period would remain as the default position.

## **6.0 CONSULTATION ALTERNATIVE AMENDMENT**

- 6.1 The proposer of the Consultation Alternative Amendment (Centrica) believe that it would be appropriate to apply the provisions of the CAP103 Working Group Alternative Amendment (WGAA) proposal to Standing Groups as well as to Working Groups. Further, they also propose that the maintenance of a list by National Grid from whom membership of Working and Standing Groups can be drawn should no longer be a CUSC Obligation. Rather, they suggest that when a new Working Group (or Standing Group) is created by the Panel, both the Panel and CUSC Parties should be invited to nominate members of the Group. The Working (or Standing) Group Chairman would then be responsible for varying Working Group Membership in line with the provisions of the CAP103 Original proposal.

## **7.0 IMPLEMENTATION AND TIMESCALES**

- 7.1 National Grid proposes that CAP103, if approved, should be implemented 10 business days after an Authority decision. In accordance with CUSC paragraph 8.19.3(b) views were invited on this proposed implementation date, but no responses to either the Original Consultation or the Consultation Alternative Consultation advocated any change to the suggested implementation date.

## **8.0 IMPACT ON THE CUSC**

- 8.1 The text required to give effect to the proposed Working Group Alternative Amendment and the Consultation Alternative Amendment are contained as Part A and Part B of Annex 2 of this document, respectively.

## **9.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES**

- 9.1 The terms of the Transmission Licence require National Grid to establish and operate procedures for the modification of the CUSC, including to the modification procedures themselves, so as to better facilitate, achievement of the Applicable CUSC Objectives. National Grid believes the current CUSC provisions regarding Working Groups are potentially too prescriptive. National Grid supports the WGAA as it provides a pragmatic approach when agreeing Working Group membership and the ability to reduce timescales, which will improve efficiency. National Grid believes the CAP103 WGAA will better facilitate CUSC Objective (a) (The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence), by improving the flexibility and efficiency of Working Group processes.
- 9.2 However, National Grid believes that the Consultation Alternative Amendment proposed by Centrica better facilitates the applicable objectives than the WGAA. We believe that it is entirely logical to apply the provisions of the CAP103 WGAA to Standing Groups as well as Working Groups. Further, we agree that in practice the maintenance of a specific list from whom membership can be drawn has proved to be inefficient, and of little practical use in the appointing of Members to Working Groups. Hence, we agree that the removal of the obligation on National Grid to maintain such a list, plus the extension to encompass Standing Groups, would further promote flexibility and efficiency.



## **10.0 IMPACT ON CUSC PARTIES**

- 10.1 No impact has been identified on CUSC Parties from either the CAP103 Working Group Alternative Amendment or the CAP103 Consultation Alternative Amendment.

## **11.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

- 11.1 No impact has been identified on Core Industry Documents or other industry documents from either the CAP103 Working Group Alternative Amendment or the CAP103 Consultation Alternative Amendment.

## **12.0 VIEWS AND REPRESENTATIONS**

- 12.1 This Section contains a summary of the views and representations made by consultees during the Consultation period in respect of the Working Group Alternative Amendment and the Consultation Alternative Amendment.

### **Views of Panel Members**

- 12.2 No responses to the CAP103 Consultation or the CAP103 Consultation Alternative Amendment Consultation were received from Panel Members in their capacity as Panel Members.

### **View of Core Industry Document Owners**

- 12.3 No responses to the CAP103 Consultation or the CAP103 Consultation Alternative Amendment Consultation were received from Core Industry Document Owners.

### **Responses to Original Consultation**

- 12.4 The following table provides an overview of the representations received in response to the original consultation. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP103-CR-01	British Energy	YES	Supports WGAA. Concerns about current process for selection of Working Group Members from list, not being adhered to closely enough.
CAP103-CR-02	Centrica	YES	Supports WGAA. Raised Consultation Alternative Amendment: Application of same rules to Standing Groups (as well as Working Groups). Also, remove obligation on National Grid to maintain list, Panel and CUSC Parties should be able to nominate members and Chairman should manage/vary membership accordingly.
CAP103-CR-03	EDF Energy	YES	Supports WGAA. Simplified process without creating additional risk.
CAP103-CR-04	E.ON UK	YES	Supports WGAA. Agrees with the removal of risk and increase in latitude provided by the Working Group Alternative.
CAP103-CR-05	RWE npower	YES	Supports WGAA.

National Grid received a total of five responses to the Original CAP103 Consultation. All respondents were supportive of the proposed Working Group Alternative Amendment. The first respondent raised concern that the current process of selecting Working Group Members from a list maintained by National Grid was not being adhered to closely enough. The second respondent whilst supporting the Working Group Alternative Amendment, suggested a further improvement which removed the obligation on National Grid to hold a list of prospective members, this was formally taken forward as a Consultation Alternative Amendment.

### Responses to Consultation Alternative Amendment Consultation

12.5 The following table provides an overview of the representations received in response to the Consultation Alternative Amendment consultation. Copies of the representations are attached as Annex 4.

Reference	Company	Supportive	Comments
CAP103-CAAR-01	Centrica	YES	As proposer of Consultation Alternative, believes it better facilitates the applicable CUSC Objectives. Made comments for the future improvement of the legal text should the opportunity arise.
CAP103-CAAR-02	EDF Energy	YES	Believes the Consultation Alternative Amendment represents and improvement on the WGAA.

### **13.0 SUMMARY OF PANEL MEMBERS VIEWS**

- 13.1 The Panel considered the Original Amendment at its meeting on 23<sup>rd</sup> September 2005 and agreed that National Grid should proceed to industry consultation on CAP103.

### **14.0 NATIONAL GRID RECOMMENDATION**

- 14.1 National Grid supports the amendments to the CUSC as detailed in the CAP103 Consultation Alternative Amendment, and recommends its implementation 10 business days after the Authority's decision.
- 14.2 National Grid believes that the Working Group Alternative Amendment also better facilitates the applicable CUSC objectives, but not to the same extent as the Consultation Alternative Amendment. In the event that the Working Group Alternative Amendment was approved by the Authority, National Grid would also recommend implementation 10 business days after the Authority's decision.

### **15.0 COMMENTS ON DRAFT AMENDMENT REPORT**

- 15.1 National Grid received 0 responses following the publication of the draft Amendment Report.

**Annex 1 - Amendment Proposal Form**

<b>CUSC Amendment Proposal Form</b>	<b>CAP:103</b>
<b>Title of Amendment Proposal:</b> Flexibility of Working Group Internal Procedures	
<b>Description of the Proposed Amendment</b> (mandatory by proposer): <p>This proposal would provide increased flexibility to the Working Group process by providing the Working Group with the ability to unilaterally alter membership for the period up to the next Amendments Panel, following which the Amendments Panel could either uphold or overturn the Working Group changes of membership.</p> <p>Furthermore, it proposes that Working Group members are able to agree a three day timetable for the approval of Working Group Reports by the Working Group if all Working Group Members agree to this. However, in the event of no agreement, the standard five day timetable for approval would remain.</p>	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> (mandatory by proposer): <p>Currently all Working Groups must process all changes of membership through the CUSC Amendments Panel and also abide by strict timetables for the circulation of WG documentation for agreement prior to Panel submission.</p> <p>These rules are potentially too prescriptive as Working Groups often have requests to vary their membership between Panel meetings. It is proposed that by confirming that Working Groups have the right to agree interim changes of membership, Working Groups will work more efficiently. Equally, ensuring that the Amendments Panel has the opportunity to uphold or overturn the Working Group decisions in relation to changes of membership acts as a safeguard that enables the Amendments Panel to continue to ultimately act as a check on Working Group decisions in this area.</p> <p>Secondly, given that Working Group Reports need to be circulated 5 days before a Panel meeting, Groups sometimes find the rule in 8.17 (c) that states Working Group Reports must be circulated in draft to Members 5 days before being signed off problematic in achieving the CUSC Panel Paper Submission date. Therefore, it is proposed that where the Working Group Members all agree, the 5 day circulation rule can be varied to a 3 day rule. However, where Working Group Members are not comfortable to agree a relaxation of the five day rule, 5 days would remain the default position.</p>	
<b>Impact on the CUSC</b> (this should be given where possible): Section 8.17 - Working Groups	
<b>Impact on Core Industry Documentation</b> (this should be given where possible): None	
<b>Impact on Computer Systems and Processes used by CUSC Parties</b> (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):

We believe that this proposal will better facilitate Licence Objectives (a). It will allow NGC to facilitate the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this Licence, by ensuring that the provisions of the CUSC are practical and effective and allow Working Groups to function as well as possible, whilst also retaining the appropriate safe-guards in relation to the Panel ultimately confirming or rejecting Working Group decisions to change Membership and ensuring that where Working Group Members are not comfortable with a variation from the 5 day rule, the 5 day rule will remain.

<b>Details of Proposer:</b> Organisation's Name:	National Grid Company
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Ben Graff National Grid Company 01926 656312 Ben.Graff@uk.ngrid.com
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid Company 01926 655843 Emma.Carr@uk.ngrid.com
<b>Attachments (Yes/No):</b>	No

## Annex 2 – Proposed Text to modify CUSC

### Part A - Text to give effect to the Working Group Alternative Amendment

Amend Section 8 of the CUSC as follows:

- 1 Amend Paragraph 8.17.5 to add the words “or the **Working Group** chairman may add or vary members” after the word “members” on line one. The amended Paragraph is shown as follows by the coloured and underlined text.  
  
8.17.5 The **Amendments Panel** may add further members or the **Working Group** chairman may add or vary members to a **Working Group**.
  
- 2 Amend Paragraph 8.17.10 (c) by adding the words “or if all **Working Group** members agree three (3) **Business Days**” after the word “**Days**” on line 3. The amended Paragraph is shown as follows by the coloured and underlined text.  
  
8.17.10 (c) The report will be circulated in draft form to **Working Group** members and a period of not less than five (5) **Business Days** or if all **Working Group** members agree three (3) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.

## Part B - Text to give effect to the Consultation Alternative Amendment

### Amend Section 8 of the CUSC as follows:

1. Amend Paragraph 8.17.3 to delete the words “**CUSC Parties** may notify the **Panel Secretary** at any time of the names of persons they wish to nominate, together with an indication of their expertise, for inclusion on a standing list of persons who would be available to sit on **Working Groups**. In selecting persons to sit on a particular **Working Group**, the **Amendments Panel** shall have regard to this standing list” after the word “**NGC**” on line 10. The amended Paragraph is shown as follows with the deleted text coloured and struck through:

8.17.3 A **Working Group** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **Amendments Panel** from those nominated by **CUSC Parties** for their relevant experience and/or expertise in the areas forming the subject-matter of the **Amendment Proposal(s)** to be considered by such **Working Group** (and the **Amendments Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Working Group**) provided that there shall always be at least one member representing **NGC**. ~~CUSC Parties may notify the Panel Secretary at any time of the names of persons they wish to nominate, together with an indication of their expertise, for inclusion on a standing list of persons who would be available to sit on Working Groups. In selecting persons to sit on a particular Working Group, the Amendments Panel shall have regard to this standing list~~ and if, and only if, the **Amendments Panel** is of the view that an **Amendment Proposal** is likely to have an impact on the **STC**, the **Amendments Panel** may invite the **STC** committee to appoint a representative to become a member of the **Working Group**. A representative of the **Authority** may attend any meeting of a **Working Group** as an observer and may speak at such meeting.

2. Amend Paragraph 8.17.5 to add the words “or the **Working Group** chairman may add or vary members” after the word “members” on line 1. The amended Paragraph is shown as follows by the coloured and underlined text:

8.17.5 The **Amendments Panel** may add further members or the **Working Group** chairman may add or vary members to a **Working Group**.

3. Amend Paragraph 8.17.10 (c) by adding the words “or if all **Working Group** members agree three (3) **Business Days**” after the word “**Days**” on line 3. The amended Paragraph is shown as follows by the coloured and underlined text:

(c) The report will be circulated in draft form to **Working Group** members and a period of not less than five (5) **Business Days** or if all **Working Group** members agree three (3) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.

4. Amend Paragraph 8.18.4 to add the words “or the **Standing Group** chairman may add or vary members” after the word “members” on line 1. The amended Paragraph is shown as follows by the coloured and underlined text:

8.18.4 The **Amendments Panel** may add further members or the **Standing Group** chairman may add or vary members to a **Standing Group** after it is established.



### Annex 3 – Copies of Representations Received to Consultation

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 30<sup>th</sup> September 2005, requesting comments by close of business on 14<sup>th</sup> October 2005).

Representations were received from the following parties:

No.	Company	File Number
1	British Energy	CAP103-CR-01
2	Centrica	CAP103-CR-02
3	EDF Energy	CAP103-CR-03
4	E.ON UK	CAP103-CR-04
5	RWE npower	CAP103-CR-05

<b>Reference</b>	CAP103-CR-01
<b>Company</b>	British Energy



12<sup>th</sup> October 2005

Lindsey Paradine  
Commercial  
National Grid plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

Dear Lindsey

**CUSC AMENDMENT PROPOSAL CAP103**

Thank you for the opportunity to comment on the issues raised by the consultation document on the above amendment proposal.

British Energy agrees that the current arrangements in respect of the formulation of working groups is too prescription and inflexible. Consequently, we support moves to address this defect and consider that the Working Group Alternative Amendment (WGAA) as set out in the consultation document adequately addresses this issue. For clarification, we agree with the Working Group in that the original amendment proposal posed a number of potential risks and would not better meet the applicable CUSC objectives.

Notwithstanding the above, we consider there to be a need for the current working group arrangements to be more closely adhered to. For example, in accordance with Clause 8.17.3 working group members are to be selected by the Amendments Panel from a standing list comprising of individuals nominated by CUSC parties who possess relevant expertise. We do not believe that this arrangement is being fully complied with and would urge National Grid to address this issue given that this raises similar procedural concerns that were highlighted during the assessment of CAP 103.

If you wish to discuss our comments further please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steven Eyre', written over a horizontal line.

**Steven Eyre**  
**Regulation Analyst**

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<b>Reference</b>	CAP103-CR-02
<b>Company</b>	Centrica



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Our Ref.  
Your Ref.  
20 October 2005

Dear Lindsey,

**Re: CUSC Amendment Proposals CAP103  
Flexibility of Working Group Internal Procedures**

Thank you for the opportunity to respond to your recent consultation document on the above referenced CUSC Amendment Proposal.

Centrica agrees with the Proposer that there is a deficiency with the current arrangements for Workgroup Membership. We agree with the Workgroup Alternative Amendment in respect of providing the Workgroup Chairman with the Authority to vary membership as required. We also support the element of the Amendment Proposal to provide flexibility to the timetable for Workgroup reports.

However, we believe that these changes should also apply to Standing Groups

However, we believe that there are still concerns with the process for initial appointment of Workgroup Members and the maintenance of a list by National Grid from whom membership can be drawn. We believe that it may be more efficient to remove this requirement to maintain a list from the CUSC. When a new Workgroup (or Standing Group) is created by the Panel, both the Panel and CUSC parties should be invited to nominate members for the Group. The Workgroup Chairman would then be responsible for managing/varying membership. We believe this would be a more efficient solution and request that this be treated as a Consultation Alternative Amendment Proposal.

Should you wish to discuss any of our comments, please do not hesitate to contact the undersigned.

Yours sincerely,

Simon Goldring  
Head of Transportation

**A centrica business**

Centrica plc - The group includes British Gas Trading, British Gas Services and Accord Energy  
Registered in England No 3033654. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD

<b>Reference</b>	CAP103-CR-03
<b>Company</b>	EDF Energy

**Our Ref**  
**Your Ref** CAP103

Lindsey Paradine  
Commercial  
National Grid plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA



**Date** 11 October 2005

Dear Lindsey,

**EDF Energy Response to CUSC Amendment Proposal CAP103 –  
“Flexibility of Working Group Internal Procedures”.**

EDF Energy are pleased to have the opportunity to comment on CUSC Amendment Proposal CAP103.

In general we believe that the CUSC Amendment Process should be as straightforward as possible and that unnecessarily bureaucratic processes should be avoided whenever possible.

The Alternative Amendment proposal to allow the Working Group Chairman the authority to vary the membership of the group is a pragmatic solution which avoids referring such minor matters to the CUSC panel whilst retaining a measure of control over the composition of the Working Group. This is a clear improvement over the initial proposal and the existing baseline.

The second part of the proposal, to reduce the review time for draft Working Group Reports where there is unanimous agreement amongst members, is also more pragmatic and efficient than the rigid five day rule which exists at present. The ability to reduce the review timescale could, in some cases, help to reduce the overall time for Amendment Proposals to be processed.

We therefore support the WGAA to CAP103 as we believe it simplifies existing processes without adding any additional risk to the due Governance of the CUSC.

40 Grosvenor Place Victoria London SW1X 7EN

EDF Energy plc  
Registered in England and Wales  
Registered No. 2366852  
Registered Office:  
40 Grosvenor Place Victoria  
London SW1X 7EN  
[www.edfenergy.com](http://www.edfenergy.com)



If you have any queries, please do not hesitate to contact me on 020 7752 2524.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Moore'.

Stephen Moore  
Energy Market Strategy  
EDF Energy

<b>Reference</b>	CAP103-CR-04
<b>Company</b>	E-ON UK



Lindsey Paradine  
Commercial  
National Grid plc  
NGT House  
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Warwick  
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**E.ON UK plc**  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG  
eon-uk.com  
  
Paul Jones  
024 7642 4829  
  
paul.jones@eon-uk.com

12 October, 2005

Dear Lindsey,

**CAP103 Consultation**

I am writing in response to the above consultation on behalf of E.ON UK plc.

We support the alternative proposal as we agree with the working group that this would remove the potential risks posed by the procedure for appointing additional working group members as envisaged in the original proposal. We also believe that working groups should have the latitude to agree that reports can be considered in 3 days rather than 5 should the circumstances require.

We believe that the alternative amendment would better meet CUSC objective a) (efficient discharge of the Transmission Licence).

Yours sincerely,

Paul Jones  
Trading Arrangements

E.ON UK plc  
Registered in  
England and Wales  
No 2366970  
Registered Office:  
Westwood Way  
Westwood Business Park  
Coventry CV4 8LG

<b>Reference</b>	CAP103-CR-05
<b>Company</b>	RWE/npower

**From:** Ballard, Terry (Corporate)  
**Sent:** 14 October 2005 10:58  
**To:** Paradine, Lindsey  
**Subject:** CAP103: Flexibility of Working Group Internal Procedures

Lindsey,

RWEnpower plc and its subsidiary companies who are CUSC signatories support the National Grid's view that the Alternative Amendment proposal will better facilitate CUSC objectives (a). As such we support it.

Regards,

Terry Ballard  
01905-340507  
01793-892715  
07989-493038

**E-mail:** [Terry.Ballard@rwenpower.com](mailto:Terry.Ballard@rwenpower.com)

**Annex 4 – Copies of Representations Received to Consultation  
Alternative Amendment Consultation**

This Annex includes copies of any representations received following circulation of the Consultation Alternative Amendment Consultation Document (circulated on 20<sup>th</sup> October 2005, requesting comments by close of business on 3<sup>rd</sup> November 2005).

Representations were received from the following parties:

No.	Company	File Number
1	Centrica	CAP103-CAAR-01
2	EDF	CAP103-CAAR-02



<b>Reference</b>	CAP103-CAAR-01
<b>Company</b>	Centrica

**From:** Goldring, Simon [Simon.Goldring@centrica.co.uk]  
**Sent:** 01 November 2005 17:05  
**To:** Paradine, Lindsey  
**Subject:** RE; Consultation Document CAP103

Lindsey,

In response to the NG Consultation on the Consultation Alternative Amendment, Centrica notes its support for the CAA. Whilst the legal text attached meets the basic requirements of the CAA it could be improved as follows:

8.17.3 since there is no list of members available for Workgroups and Standing Groups we need to included a mechanism whereby parties are notified of meetings or invited to submit nominees for the groups (potentially at the time that the Panel initially discusses an Amendment Proposal).

8.17.5 - delete "may add further members" after Panel. To allow both to add or vary.

8.17.6 - delete clause as no longer required. If felt necessary 8.17.5 could be amended to reflect that variation of membership could be because the nominated member was unavailable or disruptive.

8.18.4 - as for 8.17.5 above

8.18.5 - as for 8.17.6 above

Hope these comments are useful.

Regards  
Simon Goldring

<b>Reference</b>	CAP103-CAAR-02
<b>Company</b>	EDF Energy

**Our Ref**  
**Your Ref** CAP103

Lindsey Paradine  
Commercial  
National Grid plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA



**Date** 31 October 2005

Dear Lindsey,

**EDF Energy Response to CUSC Amendment Proposal CAP103 –  
“Flexibility of Working Group Internal Procedures”**

EDF Energy is pleased to have the opportunity to comment on the Consultation Alternative to CUSC Amendment Proposal CAP103.

In general we believe that the CUSC Amendment Process should be as straightforward as possible and that unnecessarily bureaucratic processes should be avoided whenever possible.

We believe that Centrica's Consultation Alternative, which would extend the authority to change the membership of a group to the chairmen of Standing Groups, represents an improvement on the Working Group Alternative Amendment.

We therefore support the Consultation Alternative to CAP103 as we believe it simplifies existing processes without adding any additional risk to the due Governance of the CUSC.

If you have any queries, please do not hesitate to contact me on 020 7752 2524.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Moore'.

Stephen Moore  
Energy Market Strategy  
EDF Energy

40 Grosvenor Place Victoria London SW1X 7EN

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Registered in England and Wales  
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