

AMENDMENT REPORT

CUSC Proposed Amendment CAP100/101

Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendation

Removal of the Amendments Panel Chairman's Casting Vote – In context of Amendments Panel Recommendation Vote

*The purpose of this report is to assist the
Authority in their decision of whether to
implement Amendment Proposal
CAP100/101*

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b Document Location

Nation Grid Website:

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

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Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
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1.0 SUMMARY AND RECOMMENDATION

- 1.1 CAP100/101 aims to incorporate the ability for the Amendments Panel to make a collective, Amendments Panel Recommendation, on Amendments proposals, which have gone through the Amendments process, prior to the submission by National Grid of the Amendment Report to the Authority. Hence, CAP100/101 introduces a new stage within the modification process where by Amendment Reports instead of being sent to the Authority immediately following the Consultation process, are instead tabled at the following Amendments Panel meeting, for the insertion of an Amendment Panel Recommendation, prior to submission to the Authority. CAP100/101 also removes the Chairman's casting vote in the circumstance when an Amendments Panel Recommendation Vote, discussed above, is tied.
- 1.2 CAP100 and CAP101 were proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29th July 2005. The Amendments Panel referred CAP100 and CAP101 to the Governance Standing Group acting as a Working Group.
- 1.3 The Working Group recommended that the proposals were amalgamated due to interaction and potential contingency. The Amendments Panel at their meeting on 25th August 2005 agreed to the amalgamation of CAP100 and CAP101.
- 1.4 The Working Group Report for CAP100/101 was submitted to the CUSC Amendments Panel for consideration at their meeting on 23rd September 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.
- 1.5 The wider consultation inviting views on CUSC Amendment Proposal CAP100/101 was concluded on Friday 14th October 2005. National Grid received 5 responses to the consultation. National Grid and Centrica both proposed Consultation Alternative Amendments to CAP100/101. Under the terms of the CUSC there is a requirement for a further period of consultation to be undertaken in order to allow the industry to consider the proposed Consultation Alternatives, and this Consultation Alternative Amendment Consultation Paper was published by National Grid on 20th October 2005. Responses were invited by close of business on 3rd November 2005.
- 1.6 National Grid received 2 responses to this period of further consultation for CAP100/101.
- 1.7 National Grid would also like to highlight from the outset that a minor omission in the legal text for Consultation Alternative Amendment (B) was identified by the proposer of Consultation Alternative Amendment (B) following the consultation on this alternative. Hence National Grid has made a minor correction to the legal text to give effect to the clearly identified change. National Grid has discussed this minor correction with Ofgem.

National Grid Recommendation

- 1.8 National Grid believes that the Original Amendment Proposal would better facilitate the Applicable CUSC Objectives in that it would allow National Grid to efficiently discharge its obligations in the Act and the Transmission Licences by ensuring the new Appeals mechanism is properly facilitated within the CUSC in the context of allowing for a clear Panel recommendation. Moreover, irrespective of the introduction of the new Appeals Mechanism, National Grid believes that allowing for a collective Amendments Panel

Recommendation to be arrived at, and recorded within Amendment Reports, will also further enhance the quality of Amendment Reports, and will hopefully provide the Authority with further useful information on which to base their decision. National Grid would therefore recommend implementation of the Original Amendment Proposal.

- 1.9 Consultation Alternative Amendment (A) is identical in substance to the Original Working Group Alternative Amendment (WGAA). However it addresses a factual error in the original WGAA legal text which would prevent an alternate from having any vote at the Amendments Panel Meeting which was not the intention of the Governance Standing Group or the proposer of the Working Group Alternative Amendment. National Grid therefore considers Consultation Alternative Amendment (A) to be superior to the WGAA. National Grid believes that Consultation Alternative Amendment (A) would better facilitate the applicable CUSC objectives compared to the current baseline, but not to the same extent as the original proposal. National Grid does not believe that Consultation Alternative Amendment (B) would better facilitate the Application CUSC Objectives.
- 1.10 National Grid believes that, should the Authority approve CAP100/101, 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 the revision of CUSC provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendations.
- 2.2 Further to the submission of Amendment Proposal CAP100/101 (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 CAP100/101.
- 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 the further consultation are included as Annex 3 and Annex 4 to 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/>

3.0 THE PROPOSED AMENDMENT

- 3.1 The proposer of CAP100, following discussions with the Governance Standing Group (GSG), identified a defect within the current CUSC baseline due to the introduction of the new Appeals mechanism. Currently Panel Member views are recorded within Amendment Reports prior to an Amendment proceeding to wider industry consultation but there is no

opportunity for the Amendments Panel to record a collective recommendation, against the relevant applicable Objectives, to the Authority at the end of the Consultation process.

- 3.2 Following the introduction of the new Appeals mechanism, the proposer believed that there were now further reasons as to why this Amendment was appropriate. The Amendment proposal would provide a key filter mechanism in terms of whether an Amendment Proposal is appealable. Decisions are appealable if the Authority approve or reject a modification contrary to the majority recommendation of the Panel (with the exception of modifications which the Authority have explicitly chosen to carve out of the Appeals Mechanism on the grounds of security of supply). Therefore without a collective recommendation within the Amendment Report all decisions are appealable. Hence, the need, in the view of the proposer, to provide an equivalent filter mechanism via a Panel Recommendation to that which already exists in the context of the UNC and the BSC.
- 3.3 Panel Members would reserve the right to support, oppose or abstain on the Amendment proposal/any Alternative Amendments and all views, comments and the collective recommendation would be recorded within the final Amendment Report.
- 3.4 Following the Amendment Panel meeting, the Amendment Report would be updated to include the above comments and views and then circulated to the Panel for 5 business days, to provide the opportunity for Amendments Panel Members to check for factual accuracy with regard to the way in which National Grid had drafted their comments.
- 3.5 CAP101 also following discussions at the GSG proposes to remove the Panel Chairman's casting vote when the Panel is making a collective recommendation upon an Amendment Proposal prior to submission to the Authority.
- 3.6 The proposer believes that in the context of a Panel Recommendation, there is no need for a tied vote to be broken (as in such a case it would simply mean that the decision was appealable) and hence there is no reason for the Chairman to have a casting vote in such circumstances.
- 3.7 The proposer originally believed CAP 100 and CAP101 were stand alone proposals and not contingent. However, the Amendments Panel (including the Ofgem observer) suggested that the proposals did have a degree of contingency, and at the first Working Group meeting it was agreed the proposals should be amalgamated due to there interactivity and potential contingency. This was later approved at the Amendments Panel meeting held on 25th August 2005.

4.0 WORKING GROUP DISCUSSIONS

- 4.1 The Working Group agreed with the proposer of CAP100/101 that defects exist within the current baseline due to the introduction of the Appeals mechanism. Following discussion at the first Working Group meeting it was agreed to request at the Amendments Panel the approval of the amalgamation of CAP100 and 101, which was received on 25th August.
- 4.2 CAP100 and 101 were proposals raised as a result GSG discussions held in July to specifically consider the new Appeals arrangements.

- 4.3 The Working Group agreed CAP100 would act as a key filter mechanism for determining whether a decision is appealable or not. As only decisions made by the Authority against the majority view of the Amendments Panel is appealable with the exception of proposals that have an impact upon security of supply.
- 4.4 The Group agreed an additional step should be introduced prior to the submission of the Amendment Report to the Authority and the report should be tabled at the next Amendments Panel. Therefore providing Panel Members with the opportunity to vote (either support, oppose or abstain) as to whether they believed that the Amendment proposal (or any Alternatives) better facilitated the applicable Objectives and have their views recorded within the final Amendment Report. In addition, all agreed the new 5 working day window for Panel Members to review their comments, in the context of the Amendment Panel Recommendation, within the final Amendment Report was practical and necessary, before submission to the Authority.
- 4.5 Concerns were raised that the proposals would increase the overall modification timeline but it was believed by the majority of members of the Working Group that this was a necessary step and the review of the modification timeline would be beyond the scope of the Working Groups Term of Reference.
- 4.6 The Working Group were divided over the issue of Panel Members having more than one vote whilst acting as an alternate, when making collective recommendation. The current baseline allows Panel Members to act as alternates and to have more than one vote. (As do similar provisions within the BSC.) A number of the Working Group members believed this should continue.
- 4.7 Other members were uncomfortable with this concept and believed one person one vote was appropriate for the collective recommendation, as only Members present could fully participate in the debate and arrive at an informed decision.
- 4.8 Issues surrounding quorum were discussed and as a result of the division a Working Group Alternative was developed.
- 4.9 The Group agreed with the Original CAP101 proposal and believed that it represented good governance, as it removes any concerns regarding two votes being directed from National Grid employees i.e. the Chairman and the National Grid voting representative. However, some members believed this was the most important decision the Amendments Panel is required to make and all members including the Chairman, should be called to account and take responsibility.
- 4.10 Nevertheless, on balance the Working Group supported the Original proposal to remove the Chairman's casting vote when making a Panel Recommendation.

5.0 WORKING GROUP ALTERNATIVE AMENDMENT

- 5.1 The Working Group Alternative Amendment (WGAA) provides a 'one person one vote' rule, when the Amendments Panel is undertaking a recommendation vote prior to an Amendment Report being submitted to the Authority, with Amendment Panel Members not being allowed to cast votes on behalf of others, in this context.

- 5.2 The Working Group unanimously agreed that the Amendments Panel should be required to vote and make recommendations on Amendment Proposals in light of the new Appeals process and the Chairman's casting vote in such a decision should be removed.
- 5.3 However, the group were divided on whether or not Panel Members acting as alternates should have more than one vote for such an important decision, as the Panel member would not benefit from the final debate. It was recognised that the present baseline provides provisions to allow more than one vote. However, a number of the Working Group members believed this was no longer appropriate in the circumstances and the importance of the Panel collective recommendation.
- 5.4 The WGAA therefore proposes to limit Amendment proposal recommendation votes to one person one vote with all other elements of the Original proposal remaining unchanged.

6.0 CONSULTATION ALTERNATIVE AMENDMENTS

- 6.1 In response to the initial consultation for CAP100/101, two Consultation Alternative Amendments were proposed.
- 6.2 National Grid's Consultation Alternative Amendment (A) seeks to address a factual error in the legal text for the WGAA which would prevent an alternate from having any vote at the Amendments Panel Meeting even if they were there solely as an alternate (and not as an alternative in addition to being a panel member). This was not the intention of the Governance Standing Group or the proposer and the alternative proposal seeks to rectify the error in the legal text, whilst still maintaining the original meaning of the WGAA.
- 6.3 Centrica's Consultation Alternative Amendment (B) would introduce a requirement for the Amendment Panel to meet and vote on a recommendation to the Authority for each CUSC Amendment Proposal (CAP). The timing of such Panel meetings would be decided by the Panel members when setting the timetable for a CAP. (i.e. the proposer is proposing that there should potentially be additional ad-hoc CUSC Panel meetings, so that Amendment Reports do not necessarily need to wait until the next formal Amendments Panel Meeting for the agreement of an Amendments Panel Recommendation.) The alternative proposal also suggests that the subsequent Amendment Report should be prepared by National Grid within 1 business day of each Panel meeting, circulated to Panel members for a maximum for 3 business days for comment and sent to the Authority 1 business day after the closing date for such comments.
- 6.4 The text required to give effect to Consultation Alternative Amendment (B) is attached as Part D of Annex 2 of this document. In the text provided in the Consultation Alternative Amendment Consultation Paper a sentence was inadvertently omitted. This related to the requirement for National Grid to send the final Amendment Report to the Authority 1 business day after the closing date for Panel members' comments. This was highlighted as a factual error by Centrica in their response to the Consultation Alternative Amendment Consultation. National Grid believes that the intent of this requirement was clearly described in both the Consultation Alternative Amendment Consultation Paper itself, and in the proposer's response to the initial Consultation, and therefore considers that, in this instance, the most pragmatic course of action is to add this sentence to the legal text provided to

the Authority in this Amendment Report. It has been highlighted in blue in Part D of Annex 2. The proposer of Consultation Alternative Amendment (B) also supports this approach, and believes it is consistent with ensuring the final Amendment Report, and all the information in it, is entirely accurate.

7.0 IMPACT ON THE CUSC

- 7.1 CAP100/101 will require amendment to Section 8 (CUSC Amendment) of the CUSC.
- 7.2 The text required to give effect to the Original Amendment Proposal, the Working Group Alternative Amendment and Consultation Alternative Amendments (A) and (B) are contained as Parts A to D of Annex 2 of this document, respectively.

8.0 IMPLEMENTATION AND TIMESCALES

- 8.1 National Grid proposes that CAP100/101, 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 Amendment Consultation advocated any change to the suggested implementation date.

9.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 9.1 National Grid believes that the Original Amendment Proposal would better facilitate the Applicable CUSC Objectives in that it would allow National Grid to efficiently discharge its obligations in the Act and the Transmission Licences by ensuring the new Appeals mechanism is properly facilitated within the CUSC in the context of allowing for a clear Panel recommendation (i.e. to ensure that there is a filter mechanism where by Authority decisions are no longer appealable if they are in line with the Panel Recommendation). Moreover, irrespective of the introduction of the new Appeals Mechanism, National Grid believes that allowing for a collective Amendments Panel Recommendation to be arrived at, and recorded within Amendment Reports, will also further enhance the quality of Amendment Reports, and will hopefully provide the Authority with further useful information on which to base their decision.
- 9.2 National Grid believes that the Original Amendment Proposal would better facilitate both CUSC objective (a)(The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission 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, by properly facilitating the new Appeals mechanism and providing the Authority with the further useful detail to understand a recommendation when determining whether or not to approve or reject a modification.
- 9.3 Consultation Alternative Amendment (A) is identical in substance to the Original Working Group Alternative Amendment (WGAA). However it addresses a factual error in the original WGAA legal text which would prevent an alternate from having any vote at the Amendments Panel Meeting which

was not the intention of the Governance Standing Group or the proposer of the Working Group Alternative Amendment. National Grid therefore considers Consultation Alternative Amendment (A) to be superior to the WGAA. National Grid believes that Consultation Alternative Amendment (A) would better facilitate the applicable CUSC objectives compared to the current baseline, but not to the same extent as the original proposal due to the potential issues surrounding quorum that we believe it would raise.

- 9.4 National Grid does not believe that Consultation Alternative Amendment (B) would better facilitate the Applicable CUSC Objectives. National Grid would highlight that on other Codes where a Panel Recommendation currently forms part of the formal process (UNC and BSC), the normative approach is for “Normal” (as opposed to “Urgent”) Amendment Reports to come back to the regular scheduled Panel Meetings for the insertion of a recommendation. National Grid believe that this represents best practice, and gives all parties maximum certainty as to when, and how, an Amendments Panel Recommendation will be sought. National Grid believe this to be superior to a more ad-hoc approach and from a process perspective would result in all the Codes under which an Amendments Panel Recommendation was required being derived in relation to Normal proposals in the same way. National Grid also does not believe a more ad-hoc approach would save a great deal of time and the upside of any time saving would need to be carefully weighed against the challenges of a more ad-hoc approach.
- 9.5 National Grid is concerned, not only in respect to the potentially increased burden on existing Amendment Panel Members resulting from potentially more frequent, ad-hoc Panel meetings but also the effect of this in relation to whether it will impact on which parties feel able to field candidates in future CUSC Panel elections. National Grid is concerned that smaller players may find the increased burden of further additional ad-hoc Panel meetings beyond the monthly meetings a barrier to entry that potentially discourages such parties from participating in the CUSC Panel process.
- 9.6 National Grid would also highlight that it is not always easy to pin-point an exact date at the Amendments Panel stage as to when an Amendment will have reached the end of the process, and hence when it will be ready for the Panel to agree a Recommendation. This depends on whether Alternative Amendments have been raised and is not knowable earlier in the process. Moreover, to seek to agree an extra date for this later in the process would give the Amendments Panel even less notice as to when an additional meeting was potentially going to be held.
- 9.7 National Grid also opposes the revised timetable as proposed by Consultation Alternative Amendment (B). The one day turnaround suggested for the Amendment Report, incorporating the Panel’s recommendations, prior to submitting the report to the Authority, would potentially impact National Grid’s ability to produce high quality public documents, and has the potential to in some circumstances compromise the quality of the final Amendment Report. Clearly National Grid always endeavours to turn around Amendment material as quickly as possible, in line with our general obligations in relation to efficiency. Whilst it is likely that in many cases this will result in a one day turnaround, making this mandatory would not in our view always be of benefit to the industry. National Grid also remains concerned that the proposed three day maximum for Panel Members’ comments may also insufficient.
- 9.8 For these reasons, National Grid does not believe that Consultation Alternative Amendment (B) would enable National Grid to more efficiently discharge its obligations under the Act and the Transmission Licence. In our

view, the proposal would have quite the opposite effect. In addition, it would not in our view better facilitate CUSC objective (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, as small players may find the increased burden of further ad-hoc Panel Meetings beyond the monthly meetings a barrier to entry in terms of fielding candidates in CUSC Panel elections.

10.0 IMPACT ON CUSC PARTIES

- 10.1 No impact has been identified on CUSC Parties from the original CAP100/101 proposal, the Working Group Alternative Amendment or either of the Consultation Alternative Amendments.

11.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 11.1 No impact has been identified on Core Industry Documents or other industry documents from the original CAP100/101 proposal, the Working Group Alternative Amendment or either of the Consultation Alternative Amendments.

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 Proposed Amendment and the Working Group Alternative Amendment, and during the further consultation period in respect of the Consultation Alternative Amendments.

Views of Panel Members

- 12.2 No responses to either CAP100/101 consultation document were received from Panel Members in their capacity as Panel Members.

View of Core Industry Document Owners

- 12.3 No responses to either CAP100/101 consultation document were received from Core Industry Document Owners.

Responses to Original Consultation

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

Reference	Company	Supportive	Comments
CAP100/101-CR-01	British Energy	YES	Prefers WGAA
CAP100/101-CR-02	Centrica	NO	Proposes Consultation Alternative Amendments
CAP100/101-CR-03	EDF Energy	YES	Supports Original Proposal
CAP100/101-CR-04	E.ON UK	YES	Prefers Original Proposal
CAP100/101-CR-05	RWE npower	YES	Supports Original Proposal

- 12.5 **British Energy** (the respondent in CAP100/101-CR-01) consider that it is imperative that appropriate amendments be made to the CUSC in order that the Appeals Mechanism filter arrangements can operate as intended, and that both the original proposal and the WGAA address the defect in the CUSC. However, on balance, they prefer the WGAA, as they believe it is important that all relevant information is made available to, and debated by, Panel Members, and that this can only be achieved if voting Panel Members are present at the meeting at which the vote will take place.
- 12.6 **Centrica** (the respondent in CAP100/101-CR-02) consider that some changes to the Amendments process within the CUSC are required to ensure that the intent of the Appeals process is effective. They agree on the need for a collective Panel view to be collected, and that it would be inappropriate for the Panel Chairman to have a casting vote. Centrica do not support the WGAA, being of the view that Alternates should be fully empowered to act and vote on behalf of the party that has nominated them. They also do not support the original proposal, having concerns about the timelines, the intent, and the legal drafting, and therefore proposed Consultation Alternative Amendment (B) (see section 6).
- 12.7 **EDF Energy** (the respondent in CAP100/101-CR-03) support the original Amendment as they consider that it would provide clarity as to the views of the CUSC Panel. EDF Energy believe that, in the context of the Appeals process, this could only increase the efficiency of CUSC governance, and also believe that the removal of the chairman's casting vote in this instance is also efficient. They do not support the WGAA, but noted the inaccuracy in the legal text (which National Grid addressed by proposing Consultation Alternative Amendment (A)).
- 12.8 **E.ON UK** (the respondent in CAP100/101-CR-04) support the original proposal as they believe that it would better facilitate CUSC objectives a) (efficient discharge of the Transmission Licence) and b) (competition). They believe that potential problems with achieving a quorum that the WGAA could cause means that the original proposal better facilitates objective a) (efficiency).
- 12.9 **RWE npower** (the respondent in CAP100/101-CR-05) noted their support for the original proposal. They considered that both the original Amendment Proposal and the WGAA would better facilitate CUSC objectives (a) and (b).

Responses to the Consultation Alternative Amendment Consultation

- 12.10 The following table provides an overview of the representations received to the Consultation Alternative Amendment Consultation. Copies of the representations are attached as Annex 4.

Reference	Company	Supportive	Comments
CAP100/101-CAAR-01	Centrica	YES	Supports Consultation Alternative Amendment (B)
CAP100/101-CAAR-02	EDF Energy	YES	Supports Original Proposal only

- 12.11 **Centrica** (the respondent in CAP100/101-CAAR-01) note that they did not support the WGAA and therefore do not support Consultation Alternative Amendment (A), as they continue to believe that this undermines the intention of the CUSC in relation to the creation of Panel member Alternates. As the proposer of Consultation Alternative Amendment (B), they support it, believing that the Panel should decide in timetables for Amendments to be processed on an individual basis. Centrica also suggest that, in terms of the creation of the final Amendment Report and for its subsequent submission to the Authority, they would be prepared to accept 2 business days for each activity as an alternative to the 1 business day for each as proposed by Consultation Alternative Amendment (B). Centrica also noted the inadvertent omission from the legal text for Consultation Alternative Amendment (B) of the sentence requiring National Grid to send the final Amendment Report to the Authority 1 business day after the closing date for Panel members' comments.
- 12.12 National Grid consider that the intent of Consultation Alternative Amendment (B) to require National Grid to send the final Amendment Report to the Authority 1 business day after the closing date for Panel members' comments was clearly described in both the Consultation Alternative Amendment Consultation Paper itself, and in the proposer's response to the initial Consultation. National Grid therefore considers that, in this instance, the most pragmatic course of action is to add this sentence to the legal text provided to the Authority in this Amendment Report. It has been highlighted in blue in Part D of Annex 2 of this document.
- 12.13 We note in Centrica's response to the Consultation Alternative Amendment Consultation that they "would be prepared to accept 2 business days as an alternative" to the 1 business day proposed by Consultation Alternative Amendment (B) for each of the creation of the final Amendment Report and for its subsequent submission to the Authority. However, at this stage in the Amendment Process for CAP100/101 it is not possible to raise new alternatives. In the event that Consultation Alternative Amendment (B) is approved by the Authority, parties may wish to consider whether a further amendment to the CUSC to reflect these views may better meet the applicable objectives.
- 12.14 **EDF Energy** (the respondent in CAP100/101-CAAR-02) state that they see little merit in Consultation Alternative Amendment (B) which, in their view, by necessitating additional panel meetings, would in fact risk making the Amendment Process less efficient because of the demand on Panel members' time. They believe that Consultation Alternative Amendment (A) risks making it more difficult to achieve a quorum, and so, in their view, is also likely to make CUSC governance less efficient. They therefore continue to support the original Amendment Proposal as they believe that it will improve the efficiency of governance of the CUSC when compare to the current baseline and the Alternative Amendments.

13.0 SUMMARY OF PANEL MEMBERS VIEWS

- 13.1 The Panel considered the Original Amendment Proposal and Working Group Alternative Amendment at its meeting on 23rd September 2005 and agreed that National Grid should proceed to industry consultation on CAP100/101.

14.0 NATIONAL GRID RECOMMENDATION

- 14.1 National Grid supports the amendments to the CUSC as detailed in the CAP100/101 Original Amendment Proposal, and recommends its implementation 10 business days after the Authority's decision.
- 14.2 National Grid believes that Consultation Alternative Amendment (A) also better facilitates the applicable CUSC objectives, but not to the same extent as the Original Amendment Proposal. In the event that Consultation Alternative Amendment (A) 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

CUSC Amendment Proposal Form	CAP:100
<p>Title of Amendment Proposal:</p> <p>Revision of CUSC Amendment Provisions to ensure that Amendment Reports contain a collective CUSC Panel Recommendation.</p>	
<p>Description of the Proposed Amendment (mandatory by proposer):</p> <p>CUSC Amendment Reports currently contain a Section for Panel Members views to be recorded. However, there is no opportunity for the Amendments Panel to make, and have recorded within the final Amendment Report, a collective recommendation to the Authority as to whether an Amendment proposal (and any Alternative Amendments) in the view of the Amendments Panel, better facilitate the Applicable Code Objectives.</p> <p>Following discussions with the Governance Standing Group, NGC propose that when an Amendment Report has reached the point at which it would currently go to the Authority (i.e after the Amendments Report has been circulated to the Industry in draft form) it should instead be tabled at the next Amendments Panel.</p> <p>The Amendments Panel would be required to vote as to whether they believed that the Amendment Proposal, and any Alternatives, better facilitated the Applicable Code Objectives. This vote would be recorded in the Panel Members Views Section. (Clearly Panel Members could abstain should they so wish.) In addition to the vote, any comments that Panel Members wished to have recorded, in relation to their view as to whether a proposal better facilitated the Applicable Code Objectives would also be noted within this section. Following the Amendments Panel Meeting, the Amendment Report, including the Panel Vote and views would be circulated to the Panel for 5 business days, to allow Panel Members a chance to check the factual accuracy of the way in which their views had been recorded. The Amendment Report would at that point be sent to the Authority.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</p> <p>Following the introduction of the new Appeals mechanism, whether an Authority decision is in line with a majority Panel Recommendation, is intended to be of the key filter mechanisms in terms of whether the proposal is appealable. This is not currently easily derivable from the current provisions within Section 8. NGC therefore believes that allowing a collective Panel Member Recommendation to be properly recorded within CUSC Amendment Reports would hence better facilitate the Applicable Code Objectives.</p>	
<p>Impact on the CUSC (<i>this should be given where possible</i>):</p> <p>Changes to Section 8 to allow for the following:</p> <ul style="list-style-type: none"> • Amendment Reports to go to the Amendments Panel meeting following the Report having been reviewed at the draft Amendment stage. • Obligation on Panel Members to vote on whether or not the proposal/ any alternatives better facilitate the Applicable Code Objectives. • Obligation on NGC to record the vote/ Panel views within the Panel Recommendation, and to circulate to the Panel for 5 days for a factual accuracy check, prior to sending the Amendment report to the Authority. 	
<p>Impact on Core Industry Documentation (<i>this should be given where possible</i>):</p> <p>None</p>	

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):	
<p>We believe that this proposal will better facilitate Licence Objectives (a) and (b). 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 properly facilitate the new Appeals mechanism. It was help facilitate competition in generation and supply, by ensuring that the Authority can fully understand the recommendation of the Amendments Panel, in determining whether or not to approve or reject an Amendment proposal.</p>	
Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Ben Graff National Grid 01926 656312 ben.graff@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 emma.carr@uk.ngrid.com
Attachments (Yes/No):	
No	

CUSC Amendment Proposal Form	CAP:101
Title of Amendment Proposal: Removal of the Amendments Panel Chairman's Casting Vote – In context of Amendments Panel Recommendation vote	
Description of the Proposed Amendment (mandatory by proposer): Following discussions with the GSG, it is proposed that in the event of the Panel making a collective Amendments Panel Recommendation (by whatever means), in the event of a tie, the Amendments Panel Chairman should not have a casting vote. Rather, the fact that there has been a tie should be recorded and the Amendment should be capable of being appealed.	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): Currently there is potentially ambiguity in the CUSC, should the Amendments Panel have chosen to have a vote as to whether or not to make an Amendments Panel Recommendation which has resulted in a tie, and whether the Amendments Panel Chairman should have a casting vote in such circumstances. It is believed that this ambiguity should be clarified, given the introduction of the new Appeals mechanism.	
Impact on the CUSC (this should be given where possible): Section 8	
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): CAP100 has been tabled which seeks to formalise the way in which a Collective CUSC Panel recommendation is recorded within Amendment Reports. Whilst CAP101 would work well were CAP100 to be approved, it is a stand alone proposal, in that the concepts it introduces are not dependent on the potential mechanisms which are outlined in CAP100.	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer): We believe this proposal will better facilitate Licence Objective (a) and (b). 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 properly facilitate the new Appeals mechanism. It will also help facilitate competition in generation and supply, by ensuring that the Authority can fully understand the recommendation of the Amendments Panel, in determining whether or not to approve or reject an Amendment Proposal.	

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

Annex 2 – Proposed Text to modify CUSC

Part A - Text to give effect to the Proposed Amendment

Amend Section 8 as follows:

1 In Paragraph 8.10.1 add the words “which shall include the **Amendments Panel Recommendation Vote**” after the word “decided” on line one. The amended Paragraph is shown as follows by the coloured and underlined text.

8.10.1 At any meeting of the **Amendments Panel** any matter to be decided which shall include the **Amendments Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the chairman or any **Panel Member**.

2 In Paragraph 8.10.4 add the words “other than in the **Amendments Panel Recommendation Vote**” after the word “matter” on line 2. The amended Paragraph is shown as follows by the coloured and underlined text.

8.10.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter other than in the **Amendments Panel Recommendation Vote** where votes are otherwise cast equally in favour of and against the relevant motion, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.

3 Add new Paragraph 8.20.2(l). The addition Paragraph is shown as follows by the coloured and underlined text:

(l) details of the outcome of the **Amendments Panel Recommendation Vote**.

4 Add new Paragraph 8.20.4 as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.4 A draft of the **Amendment Report** shall be tabled at the **Panel Meeting** prior to submission of that **Amendment Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.16.4 at which the **Chairman** will undertake the **Amendments Panel Recommendation Vote**.

5 Add new Paragraph 8.20.5 (as a result of the above) as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.5 A draft of the **Amendment Report** following the **Amendments Panel Recommendation Vote** will be circulated by **NGC** to **Panel Members** (and in electronic mails to **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made on the **Amendments Panel Recommendation Vote**. Any unresolved comments made shall be reflected in the final **Amendment Report**.

6 Add a new Definition to Section 11 as follows:

**Amendments Panel
Recommendation Vote**

**the vote of Panel members
undertaken by the Chairman in
accordance with Paragraph 8.20.3 as
to whether they believe each
Proposed Amendment, Working
Group Alternative Amendment or
Consultation Alternative
Amendment would better facilitate
achievement of the applicable CUSC
Objective(s).**

Part B - Text to give effect to the Working Group Alternative Amendment

Amend Section 8 as follows:

1 In Paragraph 8.6.5(i)(bb) add the words “except in the **Amendments Panel Recommendation Vote**” after the word “vote,” on line one. The amended Paragraph is shown as follows by the coloured and underlined text

8.6.5(i) (bb) to attend, speak and vote except in the **Amendments Panel Recommendation Vote** at any meeting of the **Amendments Panel** at which the **Panel Member** by whom he was appointed is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such **Panel Member**

2 In Paragraph 8.10.1 add the words “which shall include the **Amendments Panel Recommendation Vote**” after the word “decided” on 8.10.1. The amended Paragraph is shown as follows by the coloured and underlined text.

8.10.1 At any meeting of the **Amendments Panel** any matter to be decided which shall include the **Amendments Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the chairman or any **Panel Member**

3 In Paragraph 8.10.4 add the words “other than in the **Amendments Panel Recommendation Vote**” after the word “matter” on line 2. The amended Paragraph is shown as follows by the coloured and underlined text.

8.10.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter other than in the **Amendments Panel Recommendation Vote** where votes are otherwise cast equally in favour of and against the relevant motion, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.

4 Add new Paragraph 8.20.2(l). The addition Paragraph is shown as follows by the coloured and underlined text:

(l) details of the outcome of the **Amendments Panel Recommendation Vote**.

5 Add new Paragraph 8.20.4 as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.4 A draft of the **Amendment Report** shall be tabled at the **Panel Meeting** prior to submission of that **Amendment Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.16.4 at which the **Chairman** will undertake the **Amendments Panel Recommendation Vote**.

- 6 Add new Paragraph 8.20.5 (as a result of the above) as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.5 A draft of the **Amendment Report** following the **Amendments Panel Recommendation Vote** will be circulated by **NGC** to **Panel Members** (and in electronic mails to **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made on the **Amendments Panel Recommendation Vote**. Any unresolved comments made shall be reflected in the final **Amendment Report**.

- 7 Add a new Definition to Section 11 as follows:

Amendments Panel Recommendation Vote

the vote of **Panel members** undertaken by the **Chairman** in accordance with Paragraph 8.20.3 as to whether they believe each **Proposed Amendment, Working Group Alternative Amendment or Consultation Alternative Amendment** would better facilitate achievement of the applicable **CUSC Objective(s)**;

Part C - Text to give effect to the Consultation Alternative Amendment (A)

Amend Section 8 as follows:

- 1 In Paragraph 8.6.5 (a) (ii) add the words “except in the case **Amendments Panel Recommendation Vote** where the **Panel Member** shall only cast his own vote” after the word “vote,” on line three. The amended Paragraph is shown as follows by the coloured and underlined text:

8.6.5 Alternates: Rights, Cessation and References

- (a) Where the **Panel Chairman** or a **Panel Member** has appointed an alternate:
- (i) the alternate shall be entitled:
 - (aa) unless the appointing **Panel Member** shall otherwise notify the **Panel Secretary**, to receive notices of meetings of the **Amendments Panel**;
 - (bb) to attend, speak and vote, at any meeting of the **Amendments Panel** at which the **Panel Member** by whom he was appointed is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such **Panel Member**;
 - (ii) the alternate shall cast one vote for each **Panel Member** by whom he was appointed, in addition (where he is a **Panel Member** himself) to his own vote except in the case of a **Amendments Panel Recommendation Vote** where the **Panel Member** shall only cast his own vote;
 - (iii) Paragraphs 8.7, 8.8, 8.9, 8.10 and 8.11 shall apply to the alternate as if he were the appointing **Panel Member** and a reference to a **Panel Member** elsewhere in the **CUSC** shall, unless the context otherwise requires, include his duly appointed alternate.
 - (iv) for the avoidance of doubt, the appointing **Panel Member** shall not enjoy any of the rights transferred to the alternate at any meeting at which, or in relation to any matter on which, the alternate acts on his behalf.
- 2 In Paragraph 8.10.1 add the words “which shall include the **Amendments Panel Recommendation Vote**” after the word “decided” on line 1. The amended Paragraph is shown as follows by the coloured and underlined text:
- 8.10.1 At any meeting of the **Amendments Panel** any matter to be decided which shall include the **Amendments Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the chairman or any **Panel Member**.

- 3 In Paragraph 8.10.4 add the words “other than in the **Amendments Panel Recommendation Vote**” after the word “matter” on line 2. The amended Paragraph is shown as follows by the coloured and underlined text:

8.10.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter other than in the **Amendments Panel Recommendation Vote** where votes are otherwise cast equally in favour of and against the relevant motion, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.

- 4 Add new Paragraph 8.20.2(l). The additional Paragraph is shown as follows by the coloured and underlined text:

(l) details of the outcome of the **Amendments Panel Recommendation Vote**.

- 5 Add new Paragraph 8.20.4 as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.4 A draft of the **Amendment Report** shall be tabled at the **Panel Meeting** prior to submission of that **Amendment Report** to the **Authority** as set in accordance with the timetable established pursuant to Paragraph 8.16.4 at which the **Chairman** will undertake the **Amendments Panel Recommendation Vote**.

- 6 Add new Paragraph 8.20.5 (as a result of the above) as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.5 A draft of the **Amendment Report** following the **Amendments Panel Recommendation Vote** will be circulated by **NGC** to **Panel Members** (and in electronic mails to **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made on the **Amendments Panel Recommendation Vote**. Any unresolved comments made shall be reflected in the final **Amendment Report**.

- 7 Add a new Definition to Section 11 as follows:

Amendments Panel Recommendation Vote

the vote of **Panel Members** undertaken by the **Chairman** in accordance with Paragraph 8.20.4 as to whether they believe each **Proposed Amendment, Working Group Alternative Amendment or Consultation Alternative Amendment** would better facilitate achievement of the applicable **CUSC Objective(s)**;

Part D - Text to give effect to the Consultation Alternative Amendment (B)

Amend Section 8 as follows:

- 1 In Paragraph 8.10.1 add the words “which shall include the **Amendments Panel Recommendation Vote**” after the word “decided” on line one. The amended Paragraph is shown as follows by the coloured and underlined text:

8.10.1 At any meeting of the **Amendments Panel** any matter to be decided which shall include the **Amendments Panel Recommendation Vote** shall be put to a vote of **Panel Members** upon the request of the chairman or any **Panel Member**.

- 2 In Paragraph 8.10.4 add the words “other than in the **Amendments Panel Recommendation Vote**” after the word “matter” on line 2. The amended Paragraph is shown as follows by the coloured and underlined text:

8.10.4 The **Panel Chairman** shall not cast a vote as a **Panel Member** but shall have a casting vote on any matter other than in the **Amendments Panel Recommendation Vote** where votes are otherwise cast equally in favour of and against the relevant motion, but where any person other than the actual **Panel Chairman** or his alternate is acting as chairman he shall not have a casting vote.

- 3 In Paragraph 8.16.4(a) add the words “(including the **Amendments Panel Recommendation Vote**)” at the end of the Paragraph. The amended Paragraph is shown as follows by the coloured and underlined text:

8.16.4 (a) **NGC** and the **Amendments Panel** shall together establish a timetable to apply for the Amendment Process (including the **Amendments Panel meeting at which to take the **Amendments Panel Recommendation Vote****).

- 4 Add new Paragraph 8.20.2(l). The additional Paragraph is shown as follows by the coloured and underlined text:

(l) details of the outcome of the **Amendments Panel Recommendation Vote**.

- 5 Add new Paragraph 8.20.4 as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.4 A draft of the **Amendment Report** shall be tabled at the **Panel Meeting** as set in accordance with the timetable established pursuant to Paragraph 8.16.4 at which the **Chairman** will undertake the **Amendments Panel Recommendation Vote**.

- 6 Add new Paragraph 8.20.5 (as a result of the above) as follows by the coloured and underlined text and renumber subsequent Paragraphs in 8.20 accordingly:

8.20.5 A draft of the **Amendment Report** following the **Amendments Panel Recommendation Vote** will be circulated by **NGC** to **Panel Members** (by email only) within 1 **Business Day** of the **Amendments Panel Recommendation Vote** for comment, such comments to be received by **NGC** within 3 **Business Days** of its issue. All comments made shall be reflected in the final **Amendment Report**. The final **Amendment Report** shall then be submitted within 1 **Business Day** of the deadline for receipt of comments from **Panel Members**.

7 Add a new Definition to Section 11 as follows:

**Amendments Panel
Recommendation Vote**

**the vote of Panel Members
undertaken by the Chairman in
accordance with Paragraph 8.20.4 as
to whether they believe each
Proposed Amendment, Working
Group Alternative Amendment or
Consultation Alternative
Amendment would better facilitate
achievement of the applicable CUSC
Objective(s);**

Annex 3 – Copies of Representations Received to Consultation

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

Representations were received from the following parties:

No.	Company	File No.
1	British Energy	CAP100/101-CR-01
2	Centrica	CAP100/101-CR-02
3	EDF Energy	CAP100/101-CR-03
4	E.ON UK	CAP100/101-CR-04
5	RWE npower	CAP100/101-CR-05

Reference	CAP100/101-CR-01
Company	British Energy



12th October 2005

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

Dear Lindsey

CUSC AMENDMENT PROPOSAL CAP100/101

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

British Energy supports moves to amend the CUSC in order to provide for the Amendments Panel to make a formal collective recommendation on all CUSC Amendment Proposals. It is imperative that appropriate amendments are made to the CUSC in this respect in order that the new Appeals Mechanism, in particular the filter arrangements, can operate as intended.

We consider that both the original proposal (CAP 100/101) and the Working Group Alternative Amendment (WGAA) adequately address the identified defect within the CUSC. Furthermore, both proposals would better facilitate the achievement of the CUSC Objectives compared to the current baseline. For example, the introduction of a Panel recommendation will greatly improve the quality of information provided to the Authority prior to it making its decision and thus is likely to better facilitate CUSC objective (b).

However, we consider that on balance the WGAA is preferred to the original proposal. Given the significance of the Panel recommendation vote it is important that the vote is taken when all relevant information has been made available to, and debated by, Panel Members. This principle can only be achieved if voting Panel Members are actually present at the meeting in which the vote will take place. Consequently, we consider the potential for Panel Members to have multiple votes by also acting as an alternate is inappropriate in respect of Panel recommendations. We support the adoption of 'one person one vote' as contained in the WGAA. Given the incorporation of a Panel Recommendation Vote constitutes a significant change in the role of the Panel, there is now a greater incentive on Panel Members to attend Panel meetings and for there to be an adequate 'pool' of alternates. Consequently, we do not consider there to be any evidence that the adoption of the WGAA would threaten the ability to have Quorum at CUSC Panel Meetings.

British Energy Group plc Barnett Way Barnwood Gloucester GL4 3RS
Telephone 01452 652222 Facsimile 01452 653246

Registered at Systems House Alba Campus Livingston EH54 7EG
Registered Number No. 270184 VAT Number 671 0076 58



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

Yours sincerely

A handwritten signature in black ink that reads "Steven Eyre". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven Eyre
Regulation Analyst

Direct Line: 01452 653741
Fax: 01452 653246
E-Mail: steven.eyre@british-energy.com

Reference	CAP100/101-CR-02
Company	Centrica



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

Centrica Energy
Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD

Tel. (01753) 431051
Fax (01753) 431150
www.centrica.com
Our Ref.
Your Ref.
17 October 2005

Dear Lindsey,

CUSC Amendment Proposal CAP100/101
Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendation & Removal of the Amendments Panel Chairman's Casting Vote in the Context of Amendments Panel Recommendation Vote

Thank you for the opportunity to respond to your recent consultation document on the above referenced CUSC Amendment Proposals. Centrica agrees that some changes to the Amendments process within the CUSC are required to ensure that the intent of the newly introduced Appeals process is effective. As such we agree that the process now needs to allow for a mechanism whereby a collective Panel view can be collected. We also agree that for this activity it is inappropriate for the Panel Chairman to have a casting vote as the Appeals process does not require a positive decision to be made. We therefore support CAP101.

In respect of CAP 100 we agree that presentation of the Final Report needs to be considered by the Panel after all responses to the consultation (including Consultation Alternative Amendments and any subsequent re-consultation) have been received. This is probably most effectively delivered by a meeting of the Panel. However, it may not be appropriate to extend the timeline for progression of an Amendment to include this activity. It may be more appropriate to amend the frequency of Panel meetings and/or consider the time allowed for earlier activities.

We note with concern that the intention behind Cap100 seems to be (as per 4.3 of the report) to provide a filter for determining whether a decision is appealable or not. We do not believe that this is the expected remit of the Panel in this matter. Whilst it may be a consequence of the Panel's decision (and subsequent Ofgem decision) we believe that the responsibility of the Panel in this respect is to simply decide whether an Amendment (or any Alternative) better facilitates the relevant objectives and hence should be recommended for approval. This should be reflected in the CUSC.

On the discussion on the role of Alternates, we are clearly of the view that they are fully empowered to act and vote on behalf of the party that has nominated them. Any other construction would seem to undermine the basis for Alternate Panel Members being required. As such any change should be the subject of a fuller debate of that subject. We therefore do not support the WGAA in this matter, especially as it does not clarify how and why it would differentiate between

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

situations where the Alternate is a separate person, and where it is another Panel member being given two votes.

Turning to the legal drafting provided we have concerns with the drafting of Para 8.20.5. The reference to "electronic mails" (sic) is confusing, although we assume the intention is to allow circulation to be formally recognised by e-mail only. The reference to "unresolved comments" being reflected in the final report is fine, but we assume that resolved comments/changes will also be included.

We therefore do not support CAP100 original or WGAA. We would support an Alternative Amendment Proposal that introduced the requirement for the Panel to meet and vote on a recommendation to the Authority for each CAP. The timing of such Panel meeting to be decided by the Panel when setting the timetable for a CAP. The subsequent report should be prepared by NGC within 1 business day of such Panel meeting; be circulated to Panel members for a maximum of 3 business days for comment; and sent to Ofgem 1 business day after the closing date for such comments.

In respect of Implementation of these Amendments if approved, we would welcome some clarification as to how any Amendments "in flight" (ie. with Ofgem) would be handled.

We trust that you find our comments are useful but if you have any questions regarding this response please do not hesitate to contact me on 01753 431051.

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.3033854. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD

Reference	CAP100/101-CR-03
Company	EDF Energy

Our Ref
Your Ref CAP100/101

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 CAP100/101 –
“Revision of CUSC Provisions to ensure that Amendment Reports contain
collective CUSC Panel Recommendation”.**

**“Removal of the Amendment Panel Chairman’s Casting Vote – In Context of
Amendments Panel Recommendation Vote”.**

EDF Energy are pleased to have the opportunity to comment on CUSC Amendment Proposal CAP100/101.

We recognise that the introduction of the Appeals process places greater importance on the views of the CUSC panel in respect of CUSC Amendment Proposals. We believe that this Amendment Proposal is a prudent attempt to adapt the Governance of the CUSC to this new environment.

We believe that making provision for the CUSC Panel to have a formal vote on the merits of Amendment Proposals provides an unambiguous record of the balance of member’s views, in addition removing the chairman’s casting vote is also efficient in that it allows a tied vote to occur. We support the original Amendment as it provides clarity as to the views of the CUSC panel. In the context of the Appeals process, this can only increase the efficiency of CUSC governance.

There is a problem with the legal text for the WGAA for CAP100/101. The proposed text for paragraph 8.6.5(i)(bb) would prevent an alternate from having any vote at a Panel meeting even if they were there solely as an alternate (and not as an alternate in addition to being a panel member). This was not the intention of the Governance Standing Group. Paragraph 5.4 of the WG Report correctly reflects the desired WGAA that votes on Amendment proposals should be limited to ‘one person, one vote’. To achieve this 8.6.5(ii) would need to be amended.

40 Grosvenor Place Victoria London SW1X 7EN

EDF Energy plc
Registered in England and Wales
Registered No. 2366852
Registered Office:
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London SW1X 7EN
www.edfenergy.com



As EDF Energy do not support the Alternative Amendment – in its intended form – we are not formally proposing a Consultation Alternative Amendment, rather flagging the inaccurate legal text.

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

Reference	CAP100/101-CR-04
Company	E.ON UK



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

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,

CAP100/101 Consultation

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

We support the original proposal as we agree with National Grid that it would better facilitate CUSC objectives a) (efficient discharge of the Transmission Licence) and b) (competition).

We believe that the potential problems with achieving a quorum that the alternative proposal could cause, means that the original proposal better facilitates objective a) (efficiency).

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

Reference	CAP100/101-CR-05
Company	RWEnpower

From: Ballard, Terry (Corporate) [mailto:TERRY.BALLARD@rwenpower.com]
Sent: 14 October 2005 10:54
To: Paradine, Lindsey
Subject: CAP100/101

Lindsey,

Re: CAP100/101: Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendation, Removal of the Amendments Panel Chairman's Casting Vote - In context of Amendments Panel Recommendation Vote

RWEnpower plc and its subsidiary companies who are CUSC signatories support the National Grid's view that both the original Amendment Proposal and Alternative Amendment will better facilitate CUSC objectives (a) and (b). We support the original proposal.

Regards,

Terry Ballard
01905-340507
01793-892715
07989-493038

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

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 20th September 2005, requesting comments by close of business on 3rd November 2005).

Representations were received from the following parties:

No.	Company	File No.
1	Centrica	CAP100/101-CAAR-01
2	EDF	CAP100/101-CAAR-02

Reference	CAP100/101-CAAR-01
Company	Centrica



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

Centrica Energy
Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD

Tel (01753) 431051
Fax (01753) 431150
www.centrica.com
Our Ref.
Your Ref.
02 November 2005

Dear Lindsey,

**CUSC Amendment Proposal CAP100/101 – CAA Consultation
Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel
Recommendation & Removal of the Amendments Panel Chairman's Casting Vote in the Context of
Amendments Panel Recommendation Vote**

Thank you for the opportunity to respond to your recent consultation document on the above referenced CUSC Consultation Alternative Amendment Proposals. Centrica did not support the WGAA and therefore does not support CAA (A) as we continue to believe that this undermines the intention of the CUSC in relation to the creation of Panel member Alternates. As the proposer of CAA (B) we support its implementation although we do not believe that NGC have correctly interpreted all elements of our proposal.

Centrica continue to believe that the Amendments process should be carried out in the shortest period of time commensurate with good decision making. We therefore believe that it is appropriate for the Panel to set out the full timetable for an Amendment to be processed including the Panel recommendation stage. This may result in all routine proposals being scheduled for discussion at the normal monthly scheduled meeting of the Panel. However, that decision should be made by the Panel on an individual basis. Turning to the timetable for preparation and review of comments following the Panel meeting to discuss the recommendation, we acknowledge NGC's comments regarding the time necessary to carry out the three tasks. However, we had hoped they would propose an alternative number of days for the activity of creating the final Amendment Report, and for its subsequent submission to the Authority. Since NGC indicate that they would normally expect to meet the one day turn around, we would be prepared to accept 2 business days as an alternative for both these activities, with 3 days for Panel comments.

In the legal drafting for CAA(B) we note that 8.20.5 does not include the third leg of the timetable we proposed, namely the period for NGC to submit the report. We therefore propose the addition of the following text at the end of this clause. "The final **Amendment Report** shall then be submitted within 2 **Business Days** of the deadline for receipt of comments from **Panel Members**."

We trust that you find our comments are useful but if you have any questions regarding this response please do not hesitate to contact me on 01753 431051.

Yours sincerely,

Simon Goldring
Head of Transportation

A centrica business

Centrica plc - The group includes British Gas Trading, British Gas Services and Accord Energy
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Reference	CAP100/101-CAAR-02
Company	EDF

Our Ref
Your Ref CAP100/101

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 CAP100/101 –
“Revision of CUSC Provisions to ensure that Amendment Reports contain collective
CUSC Panel Recommendation”.**

**“Removal of the Amendment Panel Chairman’s Casting Vote – In Context of
Amendments Panel Recommendation Vote”.**

EDF Energy is pleased to have the opportunity to comment on the Consultation Alternative to CUSC Amendment Proposal CAP100/101.

As we stated in response to the initial consultation, we recognise that the introduction of the Appeals process places greater importance on the views of the CUSC panel in respect of CUSC Amendment Proposals.

However, we see little merit in Centrica’s proposed Alternative Amendment which, by necessitating additional panel meetings, would in fact risk making the Amendment Process less efficient because of the demands on Panel member’s time. The National Grid Alternative Amendment proposed by National Grid risks making it more difficult to achieve a quorum, so is also likely to make CUSC governance less efficient.

In view of this, we continue to support the original Amendment Proposal as we believe that it will improve the efficiency of Governance of the CUSC when compared to the current baseline and the Alternative Amendments.

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

Yours sincerely

Stephen Moore
Energy Market Strategy
EDF Energy

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