



WORKING GROUP REPORT

**CUSC Amendment Proposals CAP100 and CAP101
Revision of CUSC Amendment Provisions to ensure that
Amendment Reports contain a collective CUSC Panel
Recommendation**

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

**Prepared by the Governance Standing Group
acting as the CAP100/101 Working Group
for submission to the Amendments Panel**

Amendment Ref	CAP100/101
Issue	1.0
Date of Issue	14/09/05
Prepared by	S Drummond

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
0.1	06/09/05	S Drummond	Initial draft
1.0	14/09/05	S Drummond	Final Version

b Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

II CONTENTS TABLE

I DOCUMENT CONTROL.....	2
a National Grid Document Control	2
b Distribution.....	2
1.0 SUMMARY AND RECOMMENDATIONS.....	4
2.0 INTRODUCTION	4
3.0 PURPOSE AND SCOPE OF WORKING GROUP	5
4.0 DESCRIPTION OF DEFECT AND PROPOSED AMENDMENT.....	5
5.0 PREVIOUS GOVERNANCE STANDING GROUP(GSG) DISCUSSIONS	5
6.0 WORKING GROUP DISCUSSIONS.....	6
7.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES	8
8.0 PROPOSED IMPLEMENTATION AND TIMESCALES	9
9.0 IMPACT ON CUSC.....	9
10.0 IMPACT ON INDUSTRY DOCUMENTS.....	9
ANNEX 1 – WORKING GROUP TERMS OF REFERENCE AND MEMBERSHIP	10
ANNEX 2 – AMENDMENT PROPOSAL FORM.....	16
ANNEX 4 – INTERNAL WORKING GROUP PROCEDURE	22

1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP100 'Revision of CUSC Amendment Provisions to ensure that Amendment Reports contain a collective CUSC Panel Recommendation' was raised by National Grid ('the Proposer') on 29th July 2005. Similarly CAP101 'Removal of the Amendment Panel Chairman's Casting Vote - in context of Amendments Panel Recommendation Vote' was also proposed by National Grid at the same time. Both proposals were seeking to address the new requirement to establish the necessary processes that would give effect to the new Appeals mechanism put in place by the DTI and the Competition Commission.
- 1.2 CAP100 and CAP101 were both referred by the CUSC Panel on 29th July 2005 to the Governance Standing Group and for them to act as a Working Group to consider the issues and prepare a report on each for eventual consultation. At the CUSC Panel on 25th August 2005 it was further agreed on the advice of the Working Group that the two proposals should be amalgamated because of the level of interaction between them.
- 1.3 This Report is the result of the deliberations of the Working Group, which met on Thursday 4th August 2005 and Wednesday 31st August 2005. It describes the original CAP100 duly amalgamated with CAP101, as well as the Working Group Alternative. The Working Group considered that both the original and the Alternative address the CUSC defects as described and if implemented would better the CUSC Objectives.

Working Group Recommendations

- 1.4 The Working Group invites the Panel to consider the report and the arguments and discussions relating to the issues. The Panel is also asked to consider whether the GSG has met its Terms of Reference and whether the report can be prepared in order for it to be sent out for industry consultation.
- 1.5 The Working Group believes that CAP100/101 has been fully considered and recommends to the CUSC Panel that:
 - a) the CAP100 and CAP101 Terms of Reference have been met;
 - b) the WG Report should be prepared as a Consultation Report; and that
 - c) the Consultation Report should proceed to wider Industry consultation as soon as possible.

2.0 INTRODUCTION

- 2.1 CAP100 was proposed by National Grid and submitted to the Amendments Panel for consideration at their meeting on 29th July 2005. The Amendments Panel determined that the Governance Standing Group should act as a Working Group to consider CAP100 and that the Group should report back to a Panel meeting within two months.
- 2.2 Similarly, CAP101 was proposed at the same Panel meeting and was to be considered by the Governance Standing Group in similar timescales.
- 2.3 Following the first Working Group discussion on 4th August 2005 it was agreed that CAP100 and CAP101 should be amalgamated, because of their interactivity and because CAP101 could be considered contingent upon CAP100. This action was subsequently approved by the CUSC Panel on 25th August 2005 and this report has been prepared on that basis.

- 2.4 Both CAP100 and CAP101 were raised by National Grid as a direct result of the discussions and conclusions reached at the Governance Standing Group meeting that was held on 12th July 2005 to consider the implications of the new Appeals Process that has been put in place by the DTI and the Competition Commission.

3.0 PURPOSE AND SCOPE OF WORKING GROUP

- 3.1 At the meeting of the Working Group on Thursday 4th August 2005, the members accepted the Terms of Reference for both CAP100 and CAP101 and a copy of these are provided in Appendix 1.
- 3.2 The group thereby agreed to consider the issues raised by the Amendment Proposal and to consider whether the proposal better facilitates the achievement of the Applicable CUSC Objectives. It was also agreed at that time to consider and incorporate any appropriate legal text changes necessary to implement the CAP100/101.
- 3.3 However, at the meeting on Wednesday 31st August 2005 it was agreed that the legal text for this Amendment Proposal (if it is required) and its Alternative need not be prepared just yet. This was because of the considerable amount of Legal text that is currently having to be produced for other Working Groups, the clear conceptual nature of these proposals, and the fact that Legal text is not a requirement of Working Group Reports. However, clearly the Consultation Document will contain Legal text.

4.0 DESCRIPTION OF DEFECT AND PROPOSED AMENDMENT

- 4.1 The defect being addressed by CAP100/101 is that the current amendment procedures do not fully comply with the new Appeals Procedures. If not amended and if the CUSC Panel members did not have a collective vote on whether a future amendment proposal should be recommended, CUSC Parties could legally challenge and appeal against any Authority CUSC amendment decision. This was not considered to be efficient or within the intent of the new Appeals Procedures.
- 4.2 The Amendment Proposal is to put in place obligations and the necessary procedures that would require CUSC Panel Members to register whether they recommend, reject or abstain on an amendment proposal and for these decisions to be recorded within the Amendment Report to the Authority.
- 4.3 Furthermore the proposal, by virtue of the inclusion of CAP101, would also seek to remove the requirement for the Amendment Panel Chairman to have a casting vote in these circumstances. This would be to avoid any potential conflicts of interest and, in any event, it was not considered to be a requirement of the new Appeals Procedures for there to be an absolute majority each time.

5.0 PREVIOUS GOVERNANCE STANDING GROUP(GSG) DISCUSSIONS

- 5.1 Both amendment proposals were outcomes from the Governance Standing Group (GSG) discussions held on 12th July 2005. The meeting had been held specifically to consider the new Appeal arrangements being put in place by the DTI and the Competition Commission.
- 5.2 The GSG had agreed that there appeared to be a change in the role of CUSC Panel Members, as a result of the proposed Appeal arrangements; CUSC Panel Members were now being asked to make a definitive statement of their position with regards

each CAP. This will serve as the test, against which Ofgem's decision will be judged as to whether it could be appealable, and it needed to be reflected in the CUSC.

- 5.3 It was further agreed that the Panel Members did need to see and discuss the Final Amendment Report together before any vote and that this should be at a CUSC Panel Meeting. Each Panel Member would then vote as to whether or not they would support the Amendment Proposal. The giving of support will depend upon the weight of the arguments and the degree to which the CUSC Objectives were being bettered. The Amendment Report would show the split of votes and would provide a summary of the arguments for and/or against recommending approval.
- 5.4 An Appeal would be possible if there was either a majority decision at variance with that of Ofgem's or even if there was no outright decision by the Panel.
- 5.5 As well as changing the amendment process to include presenting the Amendment Report to the CUSC Panel, there would need to be slight changes to the timetable to allow this but any extensions to the timetable should be minimised.
- 5.6 CAP100 and CAP101 were then prepared by National Grid in line with the original conclusions of the Governance Standing Group at the 12th July meeting.

6.0 WORKING GROUP DISCUSSIONS

6.1 Original Proposal

- 6.1.1 The Proposer (National Grid) explained to the Working Group that following the introduction of the new Appeals mechanism, the test whether an Authority decision is in line with a majority Panel Recommendation is intended to be one of the key filter mechanisms to decide if it is appealable. Furthermore that currently this is not easily derivable from the current provisions within Section 8 of the CUSC.
- 6.1.2 The Working Group recognised that 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 facilitates the Applicable Code Objectives.
- 6.1.3 The Working Group agreed with the Proposer in CAP100 that this should be considered to be a flaw in the current amendment procedures, in light of the new Appeals procedures now in place which seeks to use the collective vote as a criterion, as to whether a prospective appeal on the Authority's decision should or should not proceed.
- 6.1.4 To address this defect, the Working Group agreed 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. The Amendments Panel should then 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 then be recorded in the Panel Members Views Section.
- 6.1.5 The Working Group were clear that any vote should be one of 'simple majority' amongst those present or represented at the Amendment Panel Meeting. For the avoidance of doubt, it was emphasized that under current provisions, where a Panel Member or Alternate also represents another Panel Member not present, then this would mean it was possible for some attendees to have more than one vote.

- 6.1.6 It was accepted that Panel Members could abstain should they so wish, although this was expected to be in exceptional circumstances only, maybe for reasons of inadequate information. It wasn't considered necessary to codify the grounds on which Panel Members or Alternates might abstain; having an agreed Panel convention should suffice. However, it was considered to be essential that the reasons given by the Panel members for or against recommending an amendment proposal or for abstaining were given at the time of voting and that a summary of these should be recorded in the Amendment Report to be sent to the Authority. The Working Group noted that any decisions would have to be based against the applicable CUSC Objectives.
- 6.1.7 The Working Group also agreed with the provision that following the Amendments Panel Meeting, the Amendment Report, including the Panel Vote and views would be circulated to the Panel for 5 business days in which to comment. This would give time 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.
- 6.1.8 The Working Group was concerned that the introduction of this new step in the amendment procedures would introduce delay in the overall process and inefficiencies. They noted that potentially there could be an additional month added onto the process ie from 6 months to 7 months, should the full assessment and consultation periods be used. They also noted that under the BSC procedures, which already included a voting mechanism as proposed here within the CUSC, could also take 7 months.
- 6.1.9 Nevertheless the Working Group considered that this was an unavoidable consequence of the Amendment Proposal and that any attempt to shorten the overall timescales, in order to counter this increase, would be outside the scope of the proposal. It was noted though that separate discussions by the Governance Standing Group outside of this assessment, would be reviewing the overall amendment process timeline.
- 6.1.10 CAP101, whilst written as a separate amendment proposal, was agreed by the CUSC Panel on 25th August 2005 to be amalgamated with CAP100 and for the Working Group to consider both proposals as part of one overall proposal.
- 6.1.11 The intent of the Amendment was to remove the requirement for the Amendment Panel Chairman to have a casting vote, should it be needed in the Panel Recommendation vote. The Proposer believed that the perception of the role of National Grid is an important issue and that CAP101 sought to provide additional comfort on it's impartiality.
- 6.1.12 During the consideration of CAP101 the Working Group discussion focussed heavily on the dual role of "CUSC chairman and director/senior manager of national grid", but the working group made it clear that there was no suggestion of any impropriety on behalf of the CUSC chairman. Discussions were purely in the context of the recommendation vote and it would avoid any potential conflicts of interest. In any event, it was not considered to be a requirement of the new Appeals Procedures for there to be a casting vote.
- 6.1.13 The Working Group agreed that the proposal represented good governance and that it removed any concerns about 2 votes being directed from National Grid. It, nevertheless, recognised that the recommendation vote is the most important decision that the Panel makes and that some parties might believe that all Members including the Chairman should be called to account and that the exclusion of the Chairman, left the responsibility on the Panel Members.

6.1.14 In conclusion the Working Group considered that the amendment as proposed should be fully included into CAP100 and that jointly this should form the Original Proposal.

6.2 Working Group Alternative Amendment Proposal

6.2.1 The Working Group were split on whether or not Panel Members and Alternates should have more than one vote when it came to voting on whether or not to recommend a particular Amendment Proposal for approval. They recognised that the current CUSC provisions allowed for this to occur, but some considered that the new importance being placed on voting meant that in these circumstances those present could only exercise one vote.

6.2.2 Those in favour of 'one person one vote' were of the view that the decision to vote should only be taken after the final Amendment Report had been prepared and it had had its final debate at the CUSC Amendment Panel meeting. Anybody not present would not have benefited from that debate and as such should not be allowed to influence the outcome of the vote. These Working Group members considered that the incorporation of a Recommendation Vote constituted a fundamental change in the role of the Panel and that therefore the impact of multiple votes was important and needed addressing as part of the package to deliver CAP100.

6.2.3 Those against changing the existing arrangements were of the view that the person acting as an Alternate would act in good faith and according to the wishes of the Panel Member who could not be present, even if it meant that the Alternate voted for and against the proposal at the same time. It was considered possible that the Alternate could be made aware of certain concerns that the absent party might have, but that if these are adequately covered in the debate then that party would want to vote in a certain way.

6.2.4 These same Working Group members were also concerned that any provision limiting one person to one vote could threaten the ability to have a Quorum at the CUSC Panel meeting. At present, for a Quorum to exist there must be 6 voting members, and the ability to allow Panel Members or Alternates to also represent another Panel Member was to introduce an element of flexibility and increased efficiency. Therefore, losing this ability could not be seen to be bettering the CUSC Objectives, in their opinion. It was noted that similar provisions also existed in the BSC, enabling parties to have two votes in relation to a Panel Recommendation.

6.2.5 The Working Group, although split on the merits of the idea, agreed that a Working Group Alternative Amendment (WGAA), which would include the concept of 'one person one vote', was within scope and as such should be submitted. This extra element was in addition to all those elements previously discussed under the Original Proposal.

7.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

7.1 The Working Group were unanimous that both the original Amendment Proposal and the Working Group Alternative Amendment would improve the management of the CUSC amendment process and thereby better achieve the CUSC Objectives:

- (a) the efficient discharge by the Licensee 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.

7.2 The Working Group were split over whether the Original or the Working Group Alternative better facilitated the Applicable CUSC Objectives, the majority of the Group acknowledged that both were an improvement on the current baseline, but there was no consensus on which was better.

7.3 It will allow National Grid 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. Furthermore, the Amendments as proposed increased the chances of a decision being Appealed, by virtue of the Panel Chairman not having to have a casting vote, and as such the proposals would effectively increase competition.

8.0 PROPOSED IMPLEMENTATION AND TIMESCALES

8.1 The Working Group believe that CAP100/101 should be implemented as soon as possible should the Authority make the decision to approve the CAP100/101.

9.0 IMPACT ON CUSC

9.1 Should CAP100/101 be approved changes to Section 8 will be required.

10.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

10.1 There is no impact on Core Industry documents arising from CAP100/101.

Impact on other Industry Documents

10.2 There is no impact on other industry documents arising from CAP100/101.

Annex 1 – Working Group Terms of Reference and Membership

TERMS OF REFERENCE FOR CAP100 WORKING GROUP

RESPONSIBILITIES

1. The Working Group is responsible for assisting the CUSC Amendments Panel in the evaluation of CUSC Amendment Proposals CAP100 tabled by National Grid Company at the Amendments Panel meeting on 29th July 2005.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the applicable CUSC objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee 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.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC amendment provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

SCOPE OF WORK

4. The Working Group must consider the issues raised by the Amendment Proposals and consider if the proposals identified better facilitate achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Working Group shall consider and report on the following specific issues:
 - Obligations on members
 - Use of abstentions
 - Attendance of Alternates, resulting in multiple votes
 - Revisions to timetableand incorporate appropriate legal drafting in the report to implement CAP100 or any Working Group Alternative Amendment (WGAA) developed by the Group.
6. The Working Group is responsible for the formulation and evaluation of any WGAA's arising from Group discussions which would, as compared with the Amendment Proposal, better facilitate achieving the applicable CUSC objectives in relation to the issue or defect identified.
7. The Working Group should become conversant with the definition of Working Group Alternative Amendments which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual Member of the Working Group to put forward a Working Group Alternative Amendment if the Member(s) genuinely believes the Alternative would better facilitate the achievement of the Applicable CUSC Objectives. The extent of the support for the Amendment Proposal or any Working Group Alternative Amendment arising from the Working Group's discussions should be clearly described in the final Working Group Report to the CUSC Amendments Panel.

8. The Working Group Chairman should provide progress reports to the CUSC Amendments Panel meeting scheduled for 25th August 2005. If some of the Amendment Proposals can be progressed earlier than the timetable in this paragraph then the Working Group should report earlier to the Panel on those Amendment Proposals. The Working Group is to submit their final report to the CUSC Panel Secretary on 15th September 2005 for circulation to Panel Members. The conclusions will be presented to the CUSC Panel meeting on 23rd September 2005.

MEMBERSHIP

9. It is recommended that the Working Group has the following members:

Chair	Steve Drummond
National Grid	Ben Graff
Industry Representatives	Malcolm Taylor David Lane Simon Goldring/Mark Manley Steven Eyre Neil Smith Bob Brown Steve Phillips/Steve Moore Terry Ballard
Authority Representative	David Edward
Technical Secretary	Lindsey Paradine

[NB: Working Group must comprise at least 5 Members (who may be Panel Members) and will be selected by the Panel with regard to WG List held by the Secretary]

10. The membership can be amended from time to time by the CUSC Amendments Panel. Any additional nominations for Membership of the Group after the CUSC Panel meeting scheduled for 29th July 2005 should be provided to the CUSC Panel Secretary.

RELATIONSHIP WITH AMENDMENTS PANEL

11. The Working Group shall seek the views of the Amendments Panel before taking on any significant amount of work. In this event the Working Group Chairman should contact the CUSC Panel Secretary.
12. Where the Working Group requires instruction, clarification or guidance from the Amendments Panel, particularly in relation to their Scope of Work, the Working Group Chairman should contact the CUSC Panel Secretary.

MEETINGS

13. The Working Group shall, unless determined otherwise by the Amendments Panel, develop and adopt its own internal working procedures and provide a copy to the Panel Secretary for each of its Amendment Proposals.

REPORTING

14. The Working Group Chairman shall prepare a final report to the Amendments Panel scheduled for 23rd September 2005 responding to the matter set out in the Terms of Reference.
15. A draft Working Group Report must be circulated to Working Group members with not less than five business days given for comments.
16. Any unresolved comments within the Working Group must be reflected in the final Working Group Report.
17. The Chairman (or another member nominated by him) will present the Working Group report to the Amendments Panel as required.

TERMS OF REFERENCE FOR CAP101 WORKING GROUP

RESPONSIBILITIES

1. The Working Group is responsible for assisting the CUSC Amendments Panel in the evaluation of CUSC Amendment Proposals CAP101 tabled by National Grid Company at the Amendments Panel meeting on 29th July 2005.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the applicable CUSC objectives. These can be summarised as follows:
 - a) the efficient discharge by the Licensee 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.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC amendment provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

SCOPE OF WORK

4. The Working Group must consider the issues raised by the Amendment Proposals and consider if the proposals identified better facilitate achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Working Group shall consider:
 - Interaction with CAP100
 - Potential for merger with CAP100and incorporate appropriate legal drafting in the report to implement CAP101 or any Working Group Alternative Amendment (WGAA) developed by the Group.
6. The Working Group is responsible for the formulation and evaluation of any WGAA's arising from Group discussions which would, as compared with the Amendment Proposal, better facilitate achieving the applicable CUSC objectives in relation to the issue or defect identified.
7. The Working Group should become conversant with the definition of Working Group Alternative Amendments which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual Member of the Working Group to put forward a Working Group Alternative Amendment if the Member(s) genuinely believes the Alternative would better facilitate the achievement of the Applicable CUSC Objectives. The extent of the support for the Amendment Proposal or any Working Group Alternative Amendment arising from the Working Group's discussions should be clearly described in the final Working Group Report to the CUSC Amendments Panel.
8. The Working Group Chairman should provide progress reports to the CUSC Amendments Panel meeting scheduled for 25th August 2005. If some of the Amendment Proposals can be progressed earlier than the timetable in this paragraph then the Working Group should report earlier to the Panel on those Amendment

Proposals. The Working Group is to submit their final report to the CUSC Panel Secretary on 15th September 2005 for circulation to Panel Members. The conclusions will be presented to the CUSC Panel meeting on 23rd September 2005.

MEMBERSHIP

9. It is recommended that the Working Group has the following members:

Chair	Steve Drummond
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Authority Representative	David Edward
Technical Secretary	Lindsey Paradine

[NB: Working Group must comprise at least 5 Members (who may be Panel Members) and will be selected by the Panel with regard to WG List held by the Secretary]

10. The membership can be amended from time to time by the CUSC Amendments Panel. Any additional nominations for Membership of the Group after the CUSC Panel meeting scheduled for 29th July 2005 should be provided to the CUSC Panel Secretary.

RELATIONSHIP WITH AMENDMENTS PANEL

11. The Working Group shall seek the views of the Amendments Panel before taking on any significant amount of work. In this event the Working Group Chairman should contact the CUSC Panel Secretary.
12. Where the Working Group requires instruction, clarification or guidance from the Amendments Panel, particularly in relation to their Scope of Work, the Working Group Chairman should contact the CUSC Panel Secretary.

MEETINGS

13. The Working Group shall, unless determined otherwise by the Amendments Panel, develop and adopt its own internal working procedures and provide a copy to the Panel Secretary for each of its Amendment Proposals.

REPORTING

14. The Working Group Chairman shall prepare a final report to the Amendments Panel scheduled for 23rd September 2005 responding to the matter set out in the Terms of Reference.
15. A draft Working Group Report must be circulated to Working Group members with not less than five business days given for comments.

16. Any unresolved comments within the Working Group must be reflected in the final Working Group Report.
17. The Chairman (or another member nominated by him) will present the Working Group report to the Amendments Panel as required.

Annex 2 – Amendment Proposal Form

Amendment Proposal Form - CAP100

CUSC Amendment Proposal Form	CAP:100
Title of Amendment Proposal:	
Revision of CUSC Amendment Provisions to ensure that Amendment Reports contain a collective CUSC Panel Recommendation.	
Description of the Proposed Amendment (mandatory by proposer):	
<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>	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):	
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.	
Impact on the CUSC (this should be given where possible):	
<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. 	

Impact on Core Industry Documentation <i>(this should be given where possible):</i>	
None	
Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i>	
None	
Details of any Related Modifications to Other Industry Codes <i>(where known):</i>	
None	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** <i>(mandatory by proposer):</i>	
<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	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.

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

The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@uk.ngrid.com

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

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

Amendment Proposal Form - CAP101

CUSC Amendment Proposal Form	CAP:101
<p>Title of Amendment Proposal:</p> <p>Removal of the Amendments Panel Chairman's Casting Vote – In context of Amendments Panel Recommendation vote</p>	
<p>Description of the Proposed Amendment (mandatory by proposer):</p> <p>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.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</p> <p>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.</p>	
<p>Impact on the CUSC (this should be given where possible):</p> <p>Section 8</p>	
<p>Impact on Core Industry Documentation (this should be given where possible):</p> <p>None</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):</p> <p>None</p>	
<p>Details of any Related Modifications to Other Industry Codes (where known):</p> <p>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.</p>	
<p>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):</p> <p>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</p>	

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	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@uk.ngrid.com

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

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

Annex 4 – Internal Working Group Procedure

CAP100/101 Working Group

Flexibility of Working Group Internal Procedures

INTERNAL WORKING PROCEDURES

1. Notes and actions from each meeting will be produced by the Technical Secretary (provided by National Grid) and circulated to the Chairman and Working Group members for review.
2. The Meeting notes and actions will be published on the National Grid CUSC Website after they have been agreed at the next meeting or sooner on agreement by Working Group members.
3. The Chairman of the Working Group will provide an update of progress and issues to the Amendments Panel each month as appropriate.
4. Working Group meetings will be arranged for a date acceptable to the majority of members and will be held as often as required as agreed by the Working Group in order to respond to the requirements of the Terms of Reference set by the Amendments Panel.
5. If within half an hour after the time for which the Working Group meeting has been convened the Chairman of the group is not in attendance, the meeting will take place with those present.
6. A meeting of the Working Group shall not be invalidated by any member(s) of the group not being present at the meeting.