



National Grid

AMENDMENT REPORT

CUSC Proposed Amendment CAP086

Proposal for Earlier Consideration of Implementation

Dates

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP086

Amendment Ref	CAP086
Issue	1.0
Date of Issue	30 June 2005
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	21/6/05	National Grid	Draft for internal comment
0.2	22/6/05	National Grid	Draft for Industry comment
1.0	30/6/05	National Grid	Formal version for submission to the Authority

b Document Location

Nation Grid Website:

<http://www.nationalgrid.com/uk/indinfo/cusc>

c Distribution

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

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1.0 SUMMARY AND RECOMMENDATION

- 1.1 CAP086 was proposed by e.on UK plc and submitted to the CUSC Amendments Panel for consideration at their meeting on 22nd April 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.
- 1.2 CAP086 seeks to introduce a requirement for National Grid to consult CUSC Users regarding Implementation Dates for CUSC Amendment Proposals earlier during the consultation phase of the Amendment process. CAP086 would require a change to Section 8 of the CUSC.
- 1.3 E.ON UK plc proposed a Consultation Alternative Amendment to CAP086 and Centrica plc have also proposed a Consultation Alternative Amendment. Hereinafter in this document the Consultation Alternative Amendment proposed by E.ON UK plc is referred to as Consultation Alternative Amendment (A) and the Consultation Alternative Amendment proposed by Centrica is referred to as Consultation Alternative Amendment (B).

National Grid Recommendation

- 1.4 NGC considers that Consultation Alternative Amendment (A) would further aid the efficient discharge by the licensee of the obligations imposed upon it under the Act and by the NGC Transmission Licence, and hence in NGC's view would better facilitate the Applicable CUSC Objectives. NGC proposes that Consultation Alternative Amendment (A), if approved, should be implemented 10 business days after an Authority decision. NGC does not believe that Consultation Alternative Amendment (B) will better facilitate the Applicable CUSC Objectives.

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 current arrangements contained in the CUSC for Housekeeping Amendments.
- 2.2 Further to the submission of Amendment Proposal CAP086 (see Annex 1) and the subsequent wider industry consultations that were undertaken by NGC, 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 CAP086.
- 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 also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 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/indinfo/cusc>

3.0 THE PROPOSED AMENDMENT

- 3.1 CAP086 would introduce a requirement for National Grid to consult CUSC Users regarding Implementation Dates for CUSC Amendment Proposals earlier during the consultation phase of the Amendment process. CAP086 would require a change to Section 8 of the CUSC. The proposer believes that CAP086 will enable NGC to assess the complexity, importance and urgency associated with the Implementation Date through better consultation with CUSC Users. At present, the proposer is unsure how NGC can be satisfied that they have not unduly delayed an Amendment Proposal without more explicitly considering the impact on CUSC Users. The proposer believes that ensuring that the suggested Implementation Date has been derived by means of an equitable process will enhance confidence in the arrangements and will thereby better facilitate competition.
- 3.2 NGC are already required to include details of implementation timescales within each CUSC Amendment report. However, CAP086 would specify an obligation within section 8 of the CUSC for NGC to consult CUSC Users regarding such dates. It is proposed that consultation on the Implementation Date will form part of the Amendment Consultation.
- 3.3 Currently, where the CUSC Amendments Panel directs (subject to 8.17.7 of the CUSC) a Working Group may consider a potential implementation date. It is proposed that where this date differs from that recommended by NGC, the consultation document should consult upon both options. The Final Amendment Report would contain reference to the suggestions from respondents along with the recommendations of both the Working Group and NGC. This will enable the Authority to fully consider which Implementation Date is the most appropriate.
- 3.4 CUSC currently requires NGC to circulate a draft Amendment Report to CUSC Parties and Panel Members for comment with a minimum consultation period of 5 business days. The Proposer argues that, although this allows an opportunity for CUSC Parties to comment upon the proposed Implementation Date, it does not allow NGC sufficient time to take account of concerns regarding the date. The Proposer also believes that this period does not necessarily allow sufficient time for Users to identify potential problems with the date, provide a rationale behind their concerns and present information which may enable the Authority to make a fully informed decision.
- 3.5 The Proposer believes that the Implementation Date is a fundamental aspect of any Amendment Proposal which can have significant commercial impacts upon CUSC Parties. As such, the Implementation Date should be subject to the same level of rigour and scrutiny as the proposal itself. The Proposer believes that CAP086 is consistent with both the requirements of the current licence conditions and the recent Ofgem decision for CAP077.

4.0 IMPLEMENTATION AND TIMESCALES

- 4.1 NGC proposes that CAP086 or one of the Consultation Alternative Amendment(s) if approved should be implemented 10 days after an Authority decision.

5.0 IMPACT ON THE CUSC

- 5.1 The text required to give effect to the Proposed Amendment and the Consultation Alternative Amendments is contained as Annex 2 of this document.

6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 6.1 The Terms of the Transmission Licence require NGC to establish and operate procedures for the modification of the CUSC, including the modification procedures themselves, so as to better facilitate achievement of the Applicable CUSC Objectives.

- 6.2 NGC continues to believe that the original CAP086 proposal would not better facilitate achievement of the Applicable CUSC Objectives because of its potential to create regulatory uncertainty with CUSC Parties potentially putting forward a variety of Implementation Dates during the consultation. However, NGC considers that Consultation Alternative Amendment (A) will help to reduce regulatory uncertainty in that it places sole responsibility on NGC for recommending a single implementation date after appropriate consultation. We would highlight that 8.20 (g) already places an obligation on NGC to publish within the Amendment Report “the proposed date for the implementation of the **Proposed Amendment** or any **Alternative Amendment**,” however, we believe that Alternative Amendment (A) provides helpful clarity that this proposed date should be determined by NGC having taken into account all views that had been expressed in the Consultation and that NGC should explicitly consult on the date at the consultation stage.

- 6.3 NGC hence believes that Consultation Alternative Amendment (A) represents a further helpful formalisation of existing practices and provisions whereby NGC seeks to consult explicitly on Implementation dates, as with other aspects of the Amendment Proposal, but following such consultation takes responsibility for putting forward a single date forward to the Authority, such a date having been derived as a result of full, open and transparent consultation.

- 6.4 NGC does not believe that Consultation Alternative Amendment (B) would better facilitate the Applicable CUSC Objectives in that the Panel would bear the responsibility for determining a single implementation date, as NGC does not believe that this would form a particularly practicable approach going forwards. It is not entirely clear how logistically the Panel would be able to make a recommendation, nor is it entirely clear to us how comfortably Alternative Amendment (B) sits with our existing obligations to make recommendations in this area.

- 6.5 NGC does not therefore believe that the changes proposed in Consultation Alternative Amendment (B) would better facilitate achievement of the Applicable CUSC objectives.

7.0 IMPACT ON CUSC PARTIES

- 7.1 The introduction of CAP086 or either of the Consultation Alternative Amendments would mean that CUSC Parties would be consulted about Implementation Dates at an earlier stage in the consultation process.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 8.1 Neither CAP086 or the Consultation Alternative Amendments will have an impact on core industry documents.

9.0 CONSULTATION ALTERNATIVE AMENDMENTS

- 9.1 The Consultation Alternative Amendments are similar in substance to the Original Amendment. However, Consultation Alternative Amendment (A) includes the additional element that NGC should be required to put forward a single Implementation Date if consultation results in a number of Implementation Dates put forward by Users. Consultation Alternative Amendment (B) proposes that the Amendments Panel should assume responsibility for proposing a single Implementation Date if consultation results in a number of Implementation Dates put forward by Users.
- 9.2 The proposer of Consultation Alternative Amendment (A) for CAP086 (E.ON UK plc) attempts to address National Grid's point in the consultation document that the original proposal could cause regulatory uncertainty if a variety of Implementation dates are eventually forwarded to the Authority in the Amendment Report. The proposer is suggesting that National Grid should be required to put forward a single Implementation Date arising from any Working Group report and the responses to the original consultation.
- 9.3 The proposer of Consultation Alternative Amendment (B) proposes that if a number of different implementation dates are proposed by Users and NGC then the CUSC Panel should assume responsibility for proposing the implementation date. Centrica have however confirmed that they do not envisage any changes to the current arrangements whereby National Grid put forward a single implementation date as part of the Amendment Report. Centrica believe that this approach, provided National Grid were prepared to accept the Panel's decision on an implementation date, should not require a licence change. The text to give effect to the proposed Consultation Alternative Amendments is contained in Parts B & C of Annex 2.

10.0 VIEWS AND REPRESENTATIONS

- 10.1 This Section contains a summary of the views and representations made by consultees during the consultation periods in respect of the Proposed Amendment and the Consultation Alternative Amendments.

Views of Panel Members

- 10.2 At the Panel meeting held on 22nd April, the Panel agreed that CAP086 should proceed to industry consultation. Some Panel Members felt that a specific requirement on NGC to consult CUSC Users earlier on the Implementation Date for a CUSC Amendment Proposal could be beneficial since the views of CUSC Users would be clearer at an earlier stage and more transparent and could therefore be more accurately reflected in the Amendment Report to the Authority. Some Panel Members felt such a requirement would also make the situation clearer for the Authority should the industry favour a different Implementation Date to NGC. It was, however noted, that since the CUSC Panel had been established the Amendments Panel was not aware of any instances where the industry had disagreed with National Grid on a proposed Implementation Date for a CUSC Amendment Proposal. The Amendments Panel also accepted that National Grid had taken all reasonable steps to secure and implement all CUSC Amendment Proposals to date consistent with its licence requirements and taking into account as far as possible the views of the industry.

Responses to Consultations

- 10.3 The following table provides an overview of the representations received. Four responses were received to the original consultation report and three responses were received to the further consultation on the Consultation Alternative Amendments. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP085-CR-01	e. on UK plc	Yes	Also put forward Consultation Alternative Amendment (A)
CAP085-CR-02	EdF Energy	Yes	Prudent to consult on the Implementation Date earlier in the consultation process
CAP085-CR-03	EdF Trading	Yes	Expect NGC to put forward a date but it should be consulted on.
CAP085-CR-04	Centrica	Yes	Also put forward Consultation Alternative Amendment (B)
CAP085-CAAR-01	e.on	Yes	Supports both Consultation Alternative Amendment (A) and Consultation Alternative Amendment (B)
CAP085-CAAR-02	EdF Energy	Yes	Supports Consultation Alternative Amendment (A)
CAP085-CAAR-03	Centrica	Yes	Supports Consultation Alternative Amendment (B)

- 10.4 The respondent in CAP086-CR-01 (e.on) expresses some disappointment that NGC did not raise their concerns with CAP086 concerning regulatory uncertainty at the Panel meeting held on 22nd April and recommend that CAP086 should be consider by a Working Group. Not wanting to lose the benefits of CAP086 due to confusion over the preferred process, e.on put forward Consultation Alternative Amendment (A) which it believed would address NGC's concerns over regulatory uncertainty. e.on believe that the requirement to consult CUSC Parties should be hard-wired in to CUSC rather than rely on NGC's informal undertaking to consult on Implementation Dates. e.on confirms its support for the Consultation Alternative Amendment (A) in CAP086-CAAR-01.

- 10.5 The respondent in CAP086-CR-02 (EdF Energy) agrees with the proposer that earlier consideration of Implementation Dates is of benefit to the industry as a whole and would increase efficiency EdF Energy do not believe that including Implementation Dates at the consultation stage represents a particularly onerous burden on NGC. EdF Energy accept that the prospect of numerous Alternative Amendments all with different Implementation Dates is

a valid concern but only if NGC were to include multiple dates within the final Amendment Report. EdF Energy believe that in most cases NGC would be able to propose a single Implementation Date. In a small number of cases NGC might need to include two potential implementation dates within the report where alternative versions of the same amendment would entail vastly different amounts of work. EdF Energy supported Consultation Alternative Amendment (A) in CAP086-CAAR-02.

- 10.6 The respondent in CAP086-CR-03 (EdF Trading) believes that NGC should consult widely on what the proposed Implementation Date should be. CUSC does not have this as the default arrangement and consequently there is a defect to be addressed. Following approval of CAP077 which does allow for consultation on Implementation Dates in the event of appeal against the Authority's decision, approval of CAP086 would ensure a consistency of approach which currently does not exist.
- 10.7 The respondent in CAP086-CR-04 (Centrica) supports CAP086 but acknowledges that NGC does have licence and Code obligations to propose Implementation Dates. Centrica believe the current baseline will be improved by including a question in the consultation about Implementation Dates. This should assist the Authority when considering an Amendment Proposal so they fully understand the impact on Users' systems and the lead-time required to implement change. CAP086 would also be consistent with the Authority's decision on CAP077. However, in order to respond to NGC's concerns over regulatory uncertainty associated with a number of possible Implementation Dates in the Amendment Report, Centrica proposed Consultation Alternative Amendment (B) which requires the Amendments Panel to assume responsibility for proposing Implementation Dates. Centrica acknowledge that this could require a licence change and if necessary this should be made in tandem with CAP086. In CAP086-CAAR-03 Centrica reaffirms its support for Consultation Alternative Amendment (B).

11.0 SUMMARY OF PANEL MEMBERS VIEWS

- 11.1 At the Amendments Panel meeting held on 22nd April Panel Members were generally supportive of CAP086.

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid recommends approval of Consultation Alternative Amendment (A) for CAP086 which should be implemented 10 business days after the Authority's decision.

13.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 13.1 National Grid received no responses following the publication of the draft Amendment Report.

Annex 1 - Amendment Proposal Form

CUSC Amendment Proposal Form	CAP:086
<p>Title of Amendment Proposal:</p> <p><i>Proposal for earlier consideration of implementation dates.</i></p>	
<p>Description of the Proposed Amendment (mandatory by proposer):</p> <p><i>NGC are already required to include details of implementation timescales within each CUSC Amendment report. This proposal would specify an obligation within section 8 of the CUSC for NGC to consult CUSC Users regarding such dates. It is proposed that consultation on the implementation date will form part of the Amendment Consultation. As such we anticipate that only minor changes will be required in order to facilitate this Amendment.</i></p> <p><i>Currently, where the CUSC Amendments Panel directs (subject to 8.17.7 of the CUSC) a Working Group may consider a potential implementation date. It is proposed that where this date differs from that recommended by NGC, the consultation document should consult upon both options. The Final Amendment Report would contain reference to the suggestions from respondents along with the recommendations of both the Working Group and NGC. This will enable the Authority to fully consider which implementation date is the most appropriate.</i></p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</p> <p><i>Currently Section 8.20.3 of the CUSC requires NGC to circulate a draft copy of the Amendment Report to CUSC Parties and Panel Members with a minimum consultation period of 5 Business Days. Whilst we recognise that this allows an opportunity for CUSC Parties to comment upon the proposed implementation date, it does not allow NGC sufficient time to take account of concerns regarding that date. We also believe that it doesn't necessarily allow sufficient time for Users to identify potential problems with the date, provide a rationale behind their concerns and present information which may enable the Authority to make a fully informed decision.</i></p> <p><i>We believe that the implementation date is a fundamental aspect of any Code Amendment which can have significant commercial impacts upon CUSC Parties. As such, the implementation date should be subject to the same level of rigour and scrutiny as the proposal itself. We believe this proposal to be consistent with both the requirements of the current licence conditions and the recent Ofgem decision for CAP077.</i></p>	
<p>Impact on the CUSC (this should be given where possible):</p> <p>This amendment is likely to require revision to Section 8 of the CUSC.</p>	
<p>Impact on Core Industry Documentation (this should be given where possible):</p> <p>None foreseen.</p>	
<p>Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):</p> <p>None foreseen.</p>	
<p>Details of any Related Modifications to Other Industry Codes (where known):</p> <p>None foreseen.</p>	

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):

- ***The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence;***

We believe that this CUSC Amendment will better facilitate the achievement of this objective by enabling at least three improvements.

i) Standard Licence Condition C10.6(b)(v) states that the licensee must prepare a CUSC report which includes "setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification (if made) is to take effect; and.....to be such as will enable the modification to take effect as soon as practicable after the Authority has directed such modification to be made, account being taken of complexity, importance and urgency of the modification"(C10.6 (c)). We believe that this process will better enable NGC to assess the complexity, importance and urgency associated with the implementation date through better consultation with CUSC Users.

ii) Standard Licence Condition C10.12 states that the licensee must "take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to such documents), and shall not take any steps to prevent or unduly delay, changes to the core industry documents to which it is a party (or in relation to which it holds rights in respect of amendment), such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the CUSC." We are unsure how NGC can be satisfied that they have not 'unduly delayed' an amendment without considering the impact upon CUSC Users. Furthermore, given the recent Authority decision for CAP077 it seems appropriate for NGC to consult on CUSC implementation dates in order to facilitate consistency between the Amendments process and that designed for Appealed Amendments. Therefore consultation should better facilitate the achievement of this obligation.

iii) Standard Licence Condition C3.4(b)(v) refers to the BSC Report. It must be noted that the wording of the licence condition referring to the implementation timetable is exactly the same as that for the CUSC obligation. This suggests that there is no reason why the licence condition should not be interpreted in the same way as the BSC, where implementation dates form an important part of the consultation process. We believe that this proposal would better facilitate the applicable objectives by ensuring a consistent application of the obligations placed on NGC by the Act and the Transmission Licence.

- ***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.***

Given that implementation timescales can have a significant impact upon the materiality of a particular amendment, either to individual Users or across the industry, it is essential that the Authority have access to industry information relating to the suggested implementation date. We also believe that consultation will alleviate concerns arising from a potential scenario where a conflict of interest exists between Users and NGC. Ensuring that the suggested implementation timescale has been derived by means of an equitable process will enhance confidence in the arrangements and will thereby better facilitate competition.

Details of Proposer: Organisation's Name:	E.ON UK plc
<i>Capacity in which the Amendment is being proposed:</i> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	<i>Neil Smith</i> <i>E.ON UK plc</i> <i>02476 424369</i> <i>neil.c.smith@eon-uk.com</i>
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	<i>Paul Jones</i> <i>E.ON UK plc</i> <i>02476 424829</i> <i>paul.jones@eon-uk.com</i>
Attachments (Yes/No): NO If Yes, Title and No. of pages of each Attachment: N/A	

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 Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry, CV4 8JY
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).

Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

Annex 2 – Proposed Text to modify CUSC

Part A - Text to give effect to the Proposed Amendment

CUSC Paragraph 8.19.3 shall be amended as follows:

8.19.3 The Consultation Paper will contain

- (a) the proposed drafting for the **Amendment Proposal** and any **Working Group Alternative Amendment** (unless the **Authority** decides none is needed in the **Amendment Report** under Paragraph 8.19.4) and will indicate the issues which arose in the **Working Group** discussions where there has been a **Working Group** and will incorporate **NGC's** and the **Amendments Panel's** initial views on the way forward; and
- (b) the date proposed by **NGC** for the implementation of the **Amendment Proposal** and any **Working Group Alternative Amendment** and, where the **Working Group** terms of reference require and the dates proposed by the **Working Group** are different from those proposed by **NGC**, those proposed by the **Working Group**. Views will be invited on these dates.

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

CUSC Paragraph 8.19.3 shall be amended as follows:

8.19.3 The Consultation Paper will contain

(a) the proposed drafting for the **Amendment Proposal** and any **Working Group Alternative Amendment** (unless the **Authority** decides none is needed in the **Amendment Report** under Paragraph 8.19.4) and will indicate the issues which arose in the **Working Group** discussions where there has been a **Working Group** and will incorporate **NGC's** and the **Amendments Panel's** initial views on the way forward; and

(b) the date proposed by **NGC** for the implementation of the **Amendment Proposal** and any **Working Group Alternative Amendment** and, where the **Working Group** terms of reference require and the dates proposed by the **Working Group** are different from those proposed by **NGC**, those proposed by the **Working Group**. Views will be invited on these dates.

Amend 8.20.2 (g) as follows:

(g) the proposed date for the implementation of the **Proposed Amendment** or any **Alternative Amendment** taking into account the views put forward during the process described at Paragraph 8.19.3 (b)

Part C – Text to give effect to the Consultation Alternative Amendment (B)

CUSC Paragraph 8.19.3 shall be amended as follows:

8.19.3 The Consultation Paper will contain

- (a) the proposed drafting for the **Amendment Proposal** and any **Working Group Alternative Amendment** (unless the **Authority** decides none is needed in the **Amendment Report** under Paragraph 8.19.4) and will indicate the issues which arose in the **Working Group** discussions where there has been a **Working Group** and will incorporate **NGC's** and the **Amendments Panel's** initial views on the way forward: and
- (b) the date proposed by **NGC** for the implementation of the **Amendment Proposal** and any **Working Group Alternative Amendment** and, where the **Working Group** terms of reference require and the dates proposed by the **Working Group** are different from those proposed by **NGC**, those proposed by the **Working Group**. Views will be invited on these dates.

Amend 8.20.2 (g) as follows:

- (g) the proposed date for the implementation of the **Proposed Amendment** or any **Alternative Amendment** taking into account the views put forward during the process described at Paragraph 8.19.3 (b) such date to be determined by the **Amendments Panel** in the event of any disparity between such views and those of **NGC**;

Annex 3 – Copies of Representations Received to Consultations

This Annex includes copies of any representations received following circulation of the original Consultation Document and the further consultation on the Consultation Alternative Amendment.

Representations were received from the following parties:

No.	Company	File Number
1	e.on UK plc	CAP086-CR-01
2	EdF Energy	CAP086-CR-02
3	EdF Trading	CAP086-CR-03
4	Centrica	CAP086-CR-04
5	e.on UK plc	CAP086-CAAR-01
6	EdF Energy	CAP086-CAAR-02
7	Centrica	CAP086-CAAR-03

Annex 3 – Copies of Representations received to Consultation

Reference	CAP086-CR-01
Company	E.ON UK plc

Richard Dunn
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
eon-uk.com

Neil Smith
024 7642 4369

neil.c.smith@eon-uk.com

Wednesday 11th May 2005

Dear Richard,

RE: CUSC Amendment Proposal CAP086

As Proposer of this CUSC Amendment, E.ON UK welcomes the opportunity to comment upon the consultation document compiled by NGT. The consultation appears to suggest a number of alternatives and interpretations concerned with the proposed process. Whilst we were comfortable with the recommendation that this Amendment should go straight to consultation, on the grounds that it represented a relatively simple and straight forward Amendment, we are a little disappointed that NGC did not choose to raise their concerns at the CUSC Panel and recommend progression to a Working Group.

E.ON UK remains confident that the process described within the original Amendment will better facilitate the applicable CUSC objectives. Nevertheless we are determined that the benefits of this Amendment must not be lost as a result of confusion over the preferred process. It is on this basis that we wish to suggest an Alternative Amendment.

Alternative Amendment

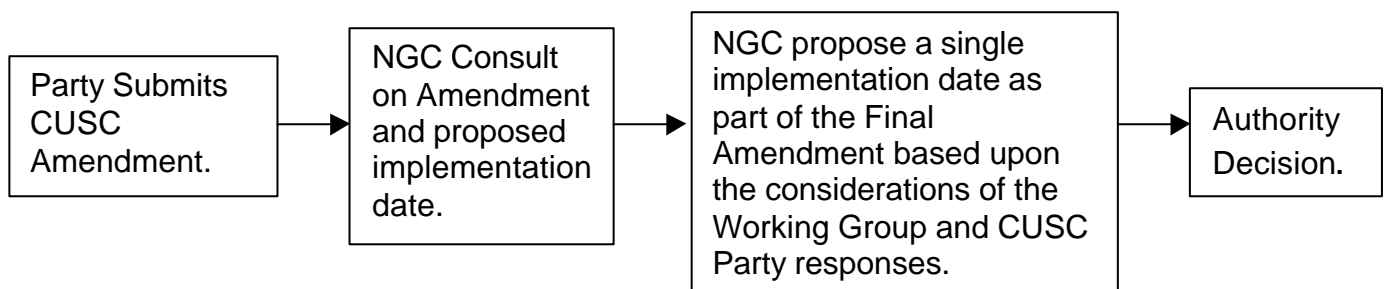
This simplified process would, in common with the proposed Amendment, require NGC to recommend an implementation date based upon the considerations of CUSC Parties and the Working Group (where such a group had been convened). These views will have been acquired as part of the formal consultation process which will specifically request views upon a proposed implementation date.

E.ON UK plc
Registered in
England and Wales
Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

We believe that this will address NGC's concern about regulatory uncertainty, as only a single date will be put forward to the Authority. We also note that despite concerns over a potential conflict of interest, NGC have a licence condition which consequentially requires them to give regard to the impact of implementation dates upon CUSC Users. Obviously, this can only be achieved if NGC have access to User information with regard to such dates.

NGC's contemporaneous suggestion that they shall informally consult upon proposed implementation dates is indeed a welcome development. However, there are circumstances which can be envisaged which could lead to a conflict of interest between NGC and CUSC Users. Given the potential for such events, a 'working practice' offers little or no comfort to CUSC Parties when compared against a hard wired Code requirement. The following diagram shows the process we are proposing as an Alternative Amendment.

Alternative Amendment Process



In conclusion, we are convinced that the original Amendment will deliver a process which provides greater transparency to CUSC Parties, improves upon the standard and reliability of information available to the Authority and better facilitates the achievement of the licence conditions by National Grid. However, if it is felt that the proposed Amendment represents too much of a departure from the current practices of NGC, we believe that the Alternative Amendment discussed within this response will enhance the existing consultation provisions.

If you would like to discuss any of the matters raised within our response please don't hesitate to contact me.

Yours sincerely

Neil Smith
Regulatory Analyst
Trading Arrangements
Energy Wholesale
E.ON UK plc

Reference	CAP086-CR-02
Company	EDF Energy

Our Ref
Your CAP086

Richard Dunn
Commercial Frameworks
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Date 27 May 2005

Dear Richard,

**EDF Energy Response to CUSC Amendment Proposal CAP086 –
“Proposal for Earlier Consideration of Implementation Dates”.**

EDF Energy are pleased to have the opportunity to comment on CUSC Amendment Proposal CAP086.

We agree with the Proposer that the earlier consideration of implementation dates is of benefit to the industry as a whole and would increase the efficiency of the Amendment process. There are circumstances where it may potentially be important that the implementation date of a proposed Amendment is considered before the draft Amendment Report is circulated and it would be prudent to allow CUSC parties to make this case earlier in the process.

We note that the CUSC Panel is unaware of any circumstances where the industry has disagreed with NGC on a Proposed Implementation Date but this does not necessarily mean that such a situation will never arise in the future. We do not believe that including prospective dates at the Consultation stage represents a particularly onerous burden on NGC and so support the proposed Amendment.

The prospect of numerous Alternative Amendments all with different implementation dates is a valid concern but only if NGC were to include multiple dates within the final Amendment Report. We feel that the requirement on NGC should only be to consider the arguments for particular dates, as raised by CUSC parties, and then to include a maximum of two potential implementation dates within the report. Even this scenario would only arise where alternative versions of the same Amendment would entail vastly different amounts of work; in most cases NGC would be able to propose a single implementation date having taken into account the views of respondents. Again this would not represent a major change from NGC's new Working practice of including the implementation timescale at the Consultation stage but would ensure that this was always done in future.

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	CAP086-CR-03
Company	EDF Trading

Richard Dunn
National Grid Company
NGT House
Gallows Hill,
Warwick,
CV34 6DA

23rd May 2005

Dear Richard,

CUSC Amendment Proposal CAP086 (Proposal for earlier consideration of implementation dates)

Please find herewith, the response made on behalf of EDF Trading Ltd and EDF (Generation) to the CUSC consultation on the Amendment Proposal CAP086, which would allow for earlier consideration of implementation dates.

Any proposed implementation date associated with an amendment proposal is going to have implications for NGC and other industry Parties. As such it should be widely consulted on as to what the proposed implementation date should be. Where there are implications for CUSC Parties, then NGC should consider these and take them into account. Currently the CUSC doesn't have this as a default arrangement, even though it is understood that in some cases it does happen, and as a consequence we believe there is a defect to be addressed. We certainly can not see why any alternative date(s) should constitute any Alternative Amendment, although the reasons why any particular date has been proposed or indeed rejected should form part of the Amendment Report. We would still expect NGC to put forward a date, but it should be seen that it has been consulted on.

Furthermore and following the approval of CAP077, which does allow consultation for any changed implementation date, this amendment would ensure a consistency of approach which currently doesn't exist. This extra element of transparency and consultation would in our view enable NGC to discharge its license obligations more efficiently.

Yours sincerely

Steve Drummond
UK Market Adviser to EDF Trading Ltd

Reference	CAP086-CR-04
Company	Centrica

The Centrica logo features the word "centrica" in a bold, blue, lowercase sans-serif font. A horizontal blue line is positioned below the text.

taking care of the essentials

Richard Dunn
Commercial Frameworks
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National Grid Transco House
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Centrica Energy

Millstream East,
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Berkshire SL4 5GD

Tel. (01753) 431052
Fax (01753) 431150
www.centrica.com
Our Ref.
Your Ref.
27 May 2005

Dear Richard,

CUSC Amendment Proposal CAP086 – Proposal for Earlier Consideration of Implementation Dates

British Gas Trading (BGT) welcomes this opportunity to comment on this Amendment Proposal. BGT believes this proposal will better facilitate the Applicable CUSC Objectives (a) and (b). Applicable Objective (a) as it will enhance the level of communication between NGC and CUSC Users, the parties that will potentially be impacted by the approved change. BGT also believe it will better facilitate competition by ensuring that CUSC Users can provide views on the implementation date and the lead time required to comply with the proposed changes. BGT note that this would be consistent with the BSC model that asks a specific question about the implementation approach.

BGT acknowledge that National Grid has licence and code obligations to propose viable implementation dates. However, BGT believe the current baseline will be improved by including a question in the Amendment consultation that seeks the views of Users in respect of the implementation dates. This should also assist the Authority when considering an Amendment Proposal so they fully understand the impact on Users systems and the lead-time required to implement the change. This would also appear to be consistent with the recent Ofgem decision to approve CAP077 Alternative, which obligates National Grid to consult on the revised implementation dates following an Appeal or Judicial Review.

In view of the views expressed by National Grid in the Consultation Document BGT propose an Alternative Amendment. NGC express concerns about the

potential regulatory uncertainty caused by the ability for a number of implementation dates to be proposed in the Amendment report. BGT propose if a number of different implementation dates are proposed by Users including NGC then the CUSC Panel should assume responsibility for proposing the implementation dates. BGT recognise that this may require a licence change dependent upon the process for sending the recommendation to Ofgem. Irrespective of whether a licence change is required BGT still believe that the Implementation date should specifically be consulted on by NGC. Therefore if a licence change is necessary to allow the process to be adopted then a licence change should be made.

Centrica supports the proposed legal text and the proposed implementation date of 10 working days following the Authority decision.

If you have any questions regarding this response please ring me 01753 431137.

Yours sincerely,

Mark Manley
Contract Manager

Reference	CAP086-CAAR-01
Company	e.on

Richard Dunn
Commercial Frameworks
National Grid Company plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
eon-uk.com

Neil Smith
024 7642 4369

neil.c.smith@eon-uk.com

Friday 17th June 2005

Dear Richard,

RE: CUSC Amendment Proposal CAP086 Alternative Consultation

E.ON UK appreciate the opportunity to comment upon these CUSC Consultation Alternative proposals.

Consultation Alternative Amendment 'A'

As Proposer of both the original Amendment CAP086 and the Consultation Alternative Amendment CAP086 'A', E.ON UK strongly believe that each will better facilitate the relevant CUSC objectives. In response to the original Amendment, NGC suggested that should a circumstance prevail whereby several proposed implementation dates are included within a final report, this could lead to regulatory uncertainty. Whilst we remain confident that the original Amendment will deliver a transparent, equitable and robust solution to the stated defect, we believe that CAP086 'A' will enhance the current arrangements and address the concern raised by NGC.

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

Consultation Alternative Amendment 'B'

E.ON UK is fully supportive of Consultation Alternative Amendment 'B'. We believe that this alternative could deliver the benefits of the original proposal, whilst addressing NGC's concern about regulatory uncertainty. This proposal would also protect all CUSC Parties (including NGC) from the unlikely scenario whereby there is the potential for a conflict of interest relating to the formulation of implementation dates.

If you would like to discuss any of the matters raised within our response please don't hesitate to contact me.

Yours sincerely

Neil Smith
Regulatory Analyst
Trading Arrangements
Energy Wholesale
E.ON UK plc

Reference	CAP086-CAAR-02
Company	EdF Energy

Our Ref
Your CAP086

Richard Dunn
Commercial Frameworks
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Date 21 June 2005

Dear Richard,

**EDF Energy Response to CUSC Amendment Proposal CAP086 –
“Proposal for Earlier Consideration of Implementation Dates”.**

EDF Energy are pleased to have the opportunity to comment on CUSC Alternative Amendment Proposal CAP086.

We supported the original Amendment because we agreed with the Proposer that the earlier consideration of implementation dates is of benefit to the industry as a whole and would increase the efficiency of the Amendment process thus better facilitating objective a).

In light of the Alternative Amendment Proposals, we believe that Alternative Amendment (A) is more efficient than both the original Amendment Proposal and the existing baseline. The requirement on NGC should be to consider the arguments for particular dates, as raised by CUSC parties, and then to include a single implementation date within the Amendment report.

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



taking care of the essentials

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Our Ref.
Your Ref.
30 June 2005

Reference	CAP086-CAAR-03
Company	Centrica

Dear Richard,

CUSC Amendment Proposal CAP086 – Proposal for Earlier Consideration of Implementation Dates

British Gas Trading (BGT) welcomes this opportunity to comment on this additional consultation. BGT continues to believe that the original proposal will better facilitate the Applicable CUSC Objectives (a) and (b).

BGT does not believe that Alternative Amendment (A) will better facilitate the Applicable CUSC objectives. BGT understands why E.ON UK has raised this Alternative, however BGT believe the Alternative undermines the intent of the original and therefore cannot better facilitate the relevant objectives.

BGT raised Alternative Amendment (B) to mitigate the concerns expressed by NGC in respect of the regulatory uncertainty created by the original proposal. BGT believe Alternative Amendment (B) to be a sensible way forward in the event of multiple implementation dates being proposed and does better facilitate the Applicable CUSC objectives.

If you have any questions regarding this response please ring me 01753 431137.

Yours sincerely,

Mark Manley
Contract Manager

Annex 4 – Copies of Comments received on the Proposed Amendment Report

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on [date], requesting comments by close of business on [date]).

Representations were received from the following parties:

No.	Company	File Number
1		CAP085-AR-01

Reference	CAP###-AR-1
Company	