



National Grid

CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP085

“Revised Treatment of Housekeeping Amendments.”

The purpose of this document is to consult on Amendment Proposal CAP085 with CUSC Parties and other interested Industry members

Amendment Ref	CAP085
Issue	1.0
Date of Issue	27/04/05
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	25/04/05	National Grid	Initial Draft for internal comment
1.0	27/04/05	National Grid	Formal version for release

b Document Location

National Grid website:

http://www.nationalgridinfo.co.uk/cusc/mn_consultation_index.html

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

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1.0 SUMMARY

- 1.1 Currently all Amendments that are progressed, follow the same processes. In relation to Housekeeping Amendments, NGC believe that the normal Amendment processes for substantive Amendments that have a material impact on CUSC Parties is disproportionate and unnecessary and risks consultation 'overload', in an area where changes are non-contentious and have a minimal effect on parties.
- 1.2 CAP085 "Revised Treatment of Housekeeping Amendments" would significantly reduce this burden, whilst also preserving three key procedural protections to ensure that CUSC Parties and the Authority should be able to have confidence in the revised procedures. Firstly, the Panel will need to agree that Amendments should be treated as Housekeeping (in accordance with a new definition of "housekeeping" within the CUSC), which acts as an initial check that NGC are acting in an appropriate manner. Secondly, NGC will publish all proposals on the CUSC Industry Information Website for a week after Panel Agreement prior to sending to the Authority. CUSC parties on our mailing list will also be notified by e-mail that this material is on our Website, and again when the proposals are sent to Ofgem. This will ensure that all CUSC Signatories are fully aware as to what is being proposed. Thirdly, Ofgem will continue to take the final executive decision as to whether or not to agree the proposed change, which gives the industry the added comfort of knowing that CAP085 does not in anyway dilute the Executive role of the Authority.
- 1.3 CAP085 was proposed by NGC 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.
- 1.4 This document initiates this wider consultation exercise and invites views on CUSC Amendment Proposal CAP085. The consultation closing date is **25th May 2005**.

2.0 INTRODUCTION

- 2.1 This is a consultation document 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.
- 2.2 Further to the submission of Amendment Proposal CAP085, this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 This consultation document outlines the nature of the CUSC changes that are proposed. Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.4 This consultation document 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>, and the Amendment Proposal form.

3.0 THE AMENDMENT PROPOSAL

- 3.1 CAP085 would provide for a more efficient, lighter touch approach, to the progressing of Housekeeping Amendments. It is proposed that where such proposals have been raised, the CUSC Panel will agree whether or not they believe such Amendments are in fact Housekeeping (in accordance with the new definition of "Housekeeping Amendment," in the CUSC.)
- 3.2 Where agreement has been reached with the Panel that the proposed change falls within this definition, NGC will publish the proposed Housekeeping Amendments on the CUSC Industry Information Website for 5 business days, prior to writing to Ofgem requesting that the Housekeeping Amendments be approved. The proposal will also be circulated by e-mail to all (Where agreement can not be reached, the Amendment will not be treated as a Housekeeping Amendment, and will follow the normal CUSC Amendment route.)
- 3.3 The Authority will take the final executive decision as to whether or not to approve the Amendments based on the normal criteria as to whether or not they believe the proposal better facilitates the relevant applicable objectives. Were the Authority to believe that Amendments that had followed the Housekeeping route were not in fact Housekeeping Amendments, it would be at the Authority's discretion as to whether they asked NGC to take the proposal back through the normal Consultation route, or rejected it, in these circumstances.
- 3.4 The proposed definition of a "Housekeeping Amendment," as set out within the proposed Legal text for CAP085 would be sufficient to encompass all previous Housekeeping Amendments to the CUSC, but is sufficiently narrow to ensure that no Amendment which could have a material impact on parties could be treated as Housekeeping.

4.0 ASSESSMENT AGAINST THE APPLICABLE CUSC OBJECTIVES

- 4.1 The Terms of the Transmission Licence require National Grid 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. The revised treatment of Housekeeping Amendments would 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.

5.0 IMPLEMENTATION AND TIMESCALES

- 5.1 NGC proposes that CAP085, if approved, should be implemented 10 days after an Authority decision. As with all other aspects of this Consultation Document, views are invited on this.

6.0 INITIAL VIEW OF AMENDMENTS PANEL

- 6.1 The Amendments Panel was comfortable for CAP085 to proceed to wider Consultation, and appeared to broadly welcome the proposals (although some Members thought the proposal could be more radical.) The Amendments Panel requested further clarification on the intended definition of a Housekeeping Amendment to be used within the Consultation Document,

and this was subsequently provided. The Amendments Panel also asked NGC to consider whether the proposal could be amended such that Ofgem did not have the opportunity to direct NGC to take the proposal back through the normal Amendment procedures, but could only Approve or Reject. The rationale being that the Amendments Panel and NGC should really be expected to get it right when agreeing that an Amendment should be treated as Housekeeping. Having considered this suggestion, NGC believe that it is worth considering further. However, NGC do not believe that it would be possible to amend the Amendment as submitted to the Amendments Panel, immediately prior to it going out to Consultation, and have taken informal advice from Ofgem to this effect. NGC would highlight that it is open to any CUSC Party to raise a Consultation Alternative Amendment along the lines highlighted above, if they so wished, and believed that the Alternative would better facilitate the Applicable CUSC Objectives.

7.0 INITIAL VIEW OF NATIONAL GRID

- 7.1 NGC believe that it is important that Housekeeping Amendments to the CUSC are taken forwards, in order to ensure that the CUSC is always as accurate as it possibly can be. However, the existing (normal) processes are in NGC's view, inefficient and disproportionate in relation to the progression of Housekeeping Amendments. NGC believe that CAP085 would provide for a more efficient, lighter touch approach, to the progressing of Housekeeping Amendments, whilst also ensuring that the appropriate safe-guards are in place to ensure that all CUSC Parties and the Authority can have full confidence in the proposed revised arrangements.

8.0 VIEWS INVITED

- 8.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP085 and issues arising from the proposed timescales for implementing CAP085.
- 8.2 Please send your responses to this consultation to National Grid by no later than close of business on **25th May 2005**.
- 8.3 Please address all comments to the following e-mail address:

Richard.Dunn@ngtuk.com

Or alternatively, comments may be addressed to:

Richard Dunn
Commercial Frameworks
National Grid Transco
NGT House
Warwick Technology Park
Gallows Hill
Warwick
Warwickshire, CV34 6DA

Annex 1 - Proposed Text to Modify CUSC

Part A - Text to give effect to the Proposed Amendment

Conformed Version

Amend 8.16.1 by adding after procedures "and the **Housekeeping Amendment** procedures"

Insert new heading as 8.21 "**Urgent Amendment Proposals and Housekeeping Amendments**" and reflect change in the contents page to Section 8.

Renumber existing Paragraph 8.21 as 8.21.1 and renumber Paragraphs 8.21.1 to 8.21.8 and any references to the same in the CUSC accordingly.

Insert new paragraph 8.21.2 as follows:

8.21.2 HOUSEKEEPING AMENDMENTS

8.21.2.1 Where any **CUSC Party** requests at or prior to the **Amendments Panel** meeting at which the **Amendment Proposal** is first discussed that an **Amendment Proposal** should be treated as a **Housekeeping Amendment** the **Amendments Panel** shall consider such request at that meeting.

8.21.2.2 Where the **Amendments Panel** agrees that such **Amendment Proposal** should be treated as a **Housekeeping Amendment** then the following procedures and timetable shall be followed in respect of such **Housekeeping Amendment** in place of Paragraphs 8.16.4, 8.19 and 8.20:

(a) **NGC** will as soon as practicable after the said **Amendments Panel** meeting publish the **Housekeeping Amendment** (including the proposed text to amend the **CUSC**) on the **NGC Website** for a minimum of five **Business Days** and shall notify:

(i) **CUSC Parties**; and

(ii) such other persons who may properly be considered to have an appropriate interest in it

of such publication.

(b) after the five **Business Days** **NGC** shall submit the **Housekeeping Amendment Report** to the **Authority**.

(c) When the **Housekeeping Amendment Report** is submitted to the **Authority** **NGC** shall notify:

(i) each **CUSC Party**;

(ii) each **Panel Member**; and

(ii) any person who requests to be notified

that the **Housekeeping Amendment Report** has been submitted and shall publish a copy of the **Housekeeping Amendment Report** on the **NGC Website**.

8.21.2.3 Where the **Authority** agrees that the **Amendment Proposal** is a **Housekeeping Amendment**, then, in accordance with the **Transmission Licence**, the **Authority** may approve the **Housekeeping Amendment** contained in the **Housekeeping Report** (which shall then be an **Approved Amendment** until implemented) or not approve it. Where the **Authority** does not agree that the **Amendment Proposal** is a **Housekeeping Amendment** then the **Authority** shall notify **NGC** accordingly and the **Amendment Proposal** shall be resubmitted to the next **Amendments Panel** meeting after such notification and shall be treated as a new **Amendment Proposal**.

8.21.2.4 An **Amendments Proposal** shall not be treated as a **Housekeeping Amendment** without the agreement of the **Amendments Panel**.

Amend Paragraph 8.23.1 as follows:

8.23.1 The **CUSC** shall be modified in accordance with the terms of the direction by the **Authority** relating to, or other approval by the **Authority** of, the **Proposed Amendment** or any **Alternative Amendment** contained in the relevant **Amendment Report** or **Housekeeping Amendment Report**.

Add the following definitions to Section 11:

"Housekeeping Amendment"	an Amendment Proposal relating to the correction of cross referencing or paragraph numbering, corrections to tables of contents and contact details, spelling or typographical errors, the deletion or insertion of text which has previously been retained or deleted erroneously following implementation of an earlier Proposed Amendment where the Amendments Panel so agrees that the Amendment Proposal can be treated as a Housekeeping Amendment ;
"Housekeeping Amendment Report"	the report submitted by NGC to the Authority in accordance with Paragraph 8.22.2.1(b);

Amend the following definitions within Section 11 as follows:

"Approved Amendment"	as defined in Paragraphs <u>8.20.5</u> <u>and</u> <u>8.21.2.3</u> ;
"Pending Amendment Proposal"	an Amendment Proposal in respect of which, at the relevant time, the Authority has not yet made a decision as to whether to direct such Proposed Amendment to be made pursuant to the Transmission Licence (whether or not an Amendment Report <u>or</u> <u>Housekeeping Amendment Report</u> has been submitted in respect of such Amendment Proposal);

CUSC Amendment Proposal Form	CAP:085
<p>Title of Amendment Proposal: “Revised Treatment of Housekeeping Amendments.”</p>	
<p>Description of the Proposed Amendment (<i>mandatory by proposer</i>): CAP085 would provide for a more efficient, lighter touch approach, to the progressing of HouseKeeping Amendments. It is proposed that where such proposals have been raised, the CUSC Panel will agree whether or not they believe such Amendments are in fact Housekeeping.</p> <p>Where agreement has been reached with the Panel, NGC will publish the proposed Housekeeping Amendments on our Website for 5 business days, prior to writing to Ofgem requesting that the Housekeeping Amendments be approved. (Where agreement can not be reached, the Amendment will not be treated as a Housekeeping Amendment, and will follow the normal CUSC Amendment route.)</p> <p>The Authority will take the final executive decision as to whether or not to approve the Amendments based on the normal criteria as to whether or not they believe the proposal better facilitates the relevant applicable objectives. Were the Authority to believe that Amendments that had followed the Housekeeping route were not in fact Housekeeping Amendments, it would be at the Authority’s discretion as to whether they asked NGC to take the proposal back through the normal Consultation route, or rejected it, in these circumstances.</p> <p>NGC propose to further work up the definition of “Housekeeping,” for the Consultation report. However, we would envisage it would broadly encompass typos, spelling mistakes, inaccurate references, omissions to contents pages, and updates to addresses. Where an Amendment could conceivably have any genuine form of material impact on parties, it would not constitute a Housekeeping Amendment.</p>	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>): Currently all Amendments that are progressed, follow an identical process. This involves the publication of Consultation Documents, Draft Amendment Reports and Final Amendment Reports. In relation to Housekeeping Amendments the error in question will be obvious and we believe such extensive Consultation is an unnecessary exercise on the part of NGC, and risks excessively burdening the industry with Consultation Documents.</p> <p>This proposal would significantly reduce this burden, whilst also preserving three key procedural protections. Firstly, the Panel will need to agree that Amendments should be treated as Housekeeping, which acts as an initial check that NGC are acting in an appropriate manner. Secondly, NGC will publish all proposals on our website for a week after Panel Agreement prior to sending to the Authority. CUSC parties on our mailing list will also be notified by e-mail that this material is on our Website, and again when the proposals are sent to Ofgem. This will ensure that all Signatories are fully aware as to what is being proposed. Thirdly, Ofgem will continue to take the</p>	

final executive decision as to whether or not to agree the proposed change, which gives the industry the added comfort of knowing that CAP085 does not in anyway dilute the Executive role of the Authority.

Impact on the CUSC *(this should be given where possible):*

A change to Section 8 will be required.

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):*

None

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

The Terms of the Transmission Licence require National Grid 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. The revised treatment of Housekeeping Amendments would aid the efficient discharge by the licensee of the obligations imposed upon it under the Act and by the NGC Transmission Licence.

Details of Proposer: Organisation's Name:	NGC
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 NGC 01926 656312 ben.graff@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mark Duffield NGC 01926 656211 richard.dunn@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	

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.