

WORKING GROUP REPORT

CUSC Amendment proposal CAP075

Arrangements for replacing Resigning Panel Members and Alternates

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I DOCUMENT CONTROL

a National Grid Document Control

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1.0	17/08/04	National Grid	Final Report
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Name	Organisation
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1 SUMMARY AND RECOMMENDATIONS

- 1.1 CAP075 was proposed by National Grid and submitted to the Amendments Panel for consideration at their meeting on 25th June 2004. The Amendments Panel determined that the Governance Standing Group should act as a Working Group to consider CAP075 and that the Group should report back to the Panel meeting scheduled for 20th August 2004. The Governance Standing Group has since met once to discuss CAP075 as a Working Group on 28th July 2004.
- 1.2 As part of the Governance Standing Group's discussions around CAP075 a Working Group Alternative Amendment was drawn up and received unanimous support. The Working Group recommends that CAP075 and the Working Group Alternative Amendment should proceed to wider Industry consultation following the Panel meeting on 20th August.
- 1.3 [At the Panel Meeting on 20th August further comments were raised regarding the legal text associated with the Working Group Alternative Amendment. As a result the Governance Standing Group were asked to reconvene as the CAP075 Working Group to consider this legal text further. As a result a second meeting was held on Monday 6th September.](#)

2 INTRODUCTION AND BACKGROUND

CAP075 - Arrangements for replacing Resigning Panel Members and Alternates

- 2.1 CAP075 proposes revised arrangements to replace a Resigning Panel Member or a Resigning Alternate Member. The existing arrangements that are set out predominantly in Annex 8A of section 8 of the CUSC state that the following procedure should be followed upon the resignation of a Panel Member or Alternate Member:
 - If there are less than 6 months remaining of the term of office of the Resigning Panel Member or Resigning Alternate Member, then a replacement will be nominated by the User who had originally nominated the Resigning Panel Member or Resigning Alternate Member for Panel Membership.
 - If there are not less than 6 months remaining of the term of office of the Resigning Panel Member or Resigning Alternate Member, then a replacement will be selected through an election. The election process operates by firstly canvassing those User's who had originally voted for the Resigning Panel Member or Resigning Alternate Member in order to seek the re-nomination of candidates for the vacant post. These candidates would then run against each other in an election that is run on a system of preferential voting identical to that used in the biennial main CUSC Panel Elections.
- 2.2 This existing election process has the potential to be a lengthy process and inefficient given that only one Panel Member or Alternate Member would be elected through it. Approximate timescales involved would be around two to three months from the point at which the Resigning Panel/Alternate Member tenders their resignation through to their replacement being confirmed. With this in mind CAP075 was devised in order to reduce these inefficiencies.
- 2.3 CAP075 concentrated on a replacement for the existing election based process that is followed to replace a Resigning Panel/Alternate Member with not less than six months of their term of office remaining. The process for replacement where there were less than six months of the term of office of the Resigning Panel/Alternate Member remaining was felt by the proposer of CAP075 to not have

the same level of inefficiency within it. CAP075 therefore specifically did not address the process for replacement where there were less than six months of the term of office of the Resigning Panel/Alternate Member remaining.

2.4 The key points of CAP075 are as follows:

- The current requirement for up to five Alternate Members would be modified such that there were **at least three** and a maximum of **ten** Alternate Members holding office at any one time.
- If a Panel Member then resigns, the Panel Member may nominate their replacement from the pool of existing Alternate Members, thus avoiding the need for an election to replace the Resigning Panel Member. If the Panel Member chooses not to nominate their successor in this way, the Alternate Member who had received the highest number of votes in the previous CUSC election would be elected to the Panel. This procedure would only be followed if the Panel Member resigned voluntarily and not if the Panel Member ceased to hold office due to bankruptcy, poor mental health, conviction of an indictable offence, death etc. In such cases the Panel Member ceasing to hold office would be replaced by election.
- If an Alternate Member resigns or becomes a Panel Member, then they will not be replaced, provided that the number of Alternate Members remains at three or above. In the event that the number of Alternate Members falls below three through resignation or promotion to Panel membership, the existing election process will be followed to replace the Resigning Alternate Member.

3 PURPOSE AND SCOPE OF THE WORKING GROUP

3.1 The Panel agreed that the Governance Standing Group should meet as a working group to discuss CAP075 with a view to reporting back to the August meeting of the CUSC Panel. The Governance Standing Group subsequently met once, on 28th July 2004 before presenting the Working Group report to the August meeting of the CUSC Panel. [At this meeting of the CUSC Panel queries were raised regarding the legal text for the Working Group Alternative Amendment proposed as part of the Working Group Report. As a result the Governance Standing Group were asked to reconvene as the CAP075 Working Group to consider this legal text once again and to present any revisions to the legal text to the September meeting of the CUSC Panel. Subsequent to the August meeting of the CUSC Panel the Governance Standing Group has met once again on 6th September 2004 before presenting the revised legal text and the revised Working Group report to the September meeting of the CUSC Panel.](#)

3.2 The terms of reference adopted by the Governance Standing Group acting as the Working Group for CAP075 included the following key considerations:

- To examine whether the proposed right of nomination for a Resigning Panel Member is appropriate.
- To consider whether the proposal to move away from the existing requirement for at least five Alternate Members to a minimum of three and a maximum of ten Alternates is justified.
- To consider whether the non-replacement of Alternate Members is suitable
- To consider whether the arrangements for replacing Resigning Panel Members or Resigning Alternate Members should be different if the remaining term of office of the Resigning Panel/Alternate Member is less than or greater than 6 months.

- Whether the CAP075 process should apply to Panel Members resigning pursuant to section 8.5.1 (b) (i) only or whether the mechanism is suitable to be extended to all situations resulting in the resignation of a Panel Member.

4 WORKING GROUP DISCUSSIONS

- 4.1 The Working Group examined each of its terms of reference in turn, at each point considering whether CAP075 best achieved the desired result. As the discussions proceeded it became clear that a Working Group Alternative Amendment could be developed that might address the defects identified by CAP075 in a more efficient manner. As such the key points of such a Working Group Alternative Amendment were formulated alongside the discussion of CAP075.

Right of Nomination for Resigning Panel Members

- 4.2 One member noted when discussing this issue that the right for a Resigning Panel/Alternate Member to nominate their successor needs to be carefully managed. The point was made that once a person resigns from a role their outlook on life alters. Therefore any decision they make may be different from that decision they would have made if they were still a Panel Member or Alternate Member and thus bound by their obligations under the CUSC to act impartially. The same member also raised a potential issue regarding the validity of the electoral mandate of the Alternate Members. It could be the case that an Alternate appointed to the Panel by a Resigning Panel Member has an electoral mandate that is up to 18 months old. In this time the industry may have changed significantly and there may be candidates for the Panel that may be more suited to the role than any of the available Alternate Members.
- 4.3 In response to these issues the Working Group reached the conclusion that such points were valid, but that careful management of the process and recourse to existing provisions within the CUSC should largely mitigate the concerns in these areas. Should a Panel Member or Alternate Member wish to resign then they should nominate their successor when they resign and so cease to be a Panel Member. This would ensure that they would be making the decision on whom they wished to appoint as their successor whilst acting as a Panel Member and so their decision should be subject to the existing CUSC provisions regarding impartiality etc.
- 4.4 On the second concern regarding the validity of the electoral mandate of an Alternate Mandate it was agreed that should the Panel ever get to the stage where it did not adequately reflect the wider industry there are existing powers that allow OFGEM to appoint an additional Panel member to restore the balance of views within the industry. The Working Group also noted however that such a power was only valid once per Panel unless the member they have appointed resigns. A member of the Working Group suggested that therefore this could put a stronger incentive on OFGEM not to use their power to appoint too early on in the Panel's term of office.
- 4.5 Given these existing and planned future safeguards the Working Group was in agreement that the concept of allowing a Resigning Panel Member to nominate their successor from the pool of Alternate Members was acceptable.

Alternate Members

- 4.6 There was general agreement around the Working Group regarding the principle to allow the numbers of Alternate Members to be eroded in the case where an Alternate Member either resigns or is promoted to Panel Membership. It was noted

that neither the BSC Panel nor the Network Code Panel has Alternate Members as they rely on the Panel Member appointing their own Alternate rather than having a pre-agreed Pool to choose from), and that the effectiveness of these Panels had not been adversely affected. As such the Working Group saw no reason why the CUSC Panel would not similarly be able to function with reduced numbers of Alternate Members.

- 4.7 Further to this the Working Group considered the proposal put forward by CAP075 to change the required number of Alternate Members from “up to 5 (five)”, to a “minimum of 3 (three) and up to 10 (ten). The Working Group considered that there did not appear to be a need for a minimum number of Alternates in that even if the number was to erode to zero the Panel should still be able to function effectively. It was noted at this stage that the minimum number of Attendees for a quorum to be established at a CUSC Panel must be six, each of whom have voting rights and one of which must be a representative of NGC. Recognising that it was extremely unlikely that NGC would not be able to put forward a representative, a quorum could still be achieved were there to be no Alternates available and up to two Panel Members were unable to attend the meeting.
- 4.8 Regarding the upper limit on the numbers of Alternate Members, the Working Group concluded that an upper limit was necessary, else the situation may arise where any person nominated for Election to the CUSC Panel would by default become an Alternate Member. If a large number of Alternate Members were to attend a CUSC Panel Meeting, there may be a danger that the Panel could not operate as effectively given the large number of potential attendees. In terms of the value that the upper limit of Alternate Members should take agreement was ultimately reached upon 5 (five). The rationale behind the CAP075 proposal to raise the maximum number of Alternates to ten was a direct consequence of setting the minimum at three. With a minimum of three Alternates required by CAP075 the maximum was raised to allow greater flexibility in the numbers of Alternates that could resign before an election would need to be called to elect further Alternate Members. With the minimum number reduced to zero, the need to raise the maximum dissipates and so the existing upper limit of five could remain.
- 4.9 CAP075 also proposes that once the defined minimum number of Alternates is reached an election is triggered to elect further Alternates. The Working Group agreed that this mechanism was suitable and that similar arrangements would be enshrined in the Working Group Alternative Amendment. In the case of the Working Group Alternative Amendment once the number of Alternate Members was eroded to zero, an election would be held to elect up to five further Alternate Members on the same rules as originally used (ie. All the electorate able to nominate and vote).

Interactions between replacement arrangements and remaining Term of Office of Resigning Panel/Alternate Member

- 4.10 The existing arrangements allow the replacement of a Resigning Panel/Alternate Member to be made through nomination rather than election should the Resigning Panel/Alternate Member have less than 6 months remaining of their term of office. The Working Group reached the decision that there was little benefit in retaining differing arrangements depending on the remaining term of office for the Resigning Panel/Alternate Member. Instead it was agreed that the Working Group Alternative Amendment be drafted in such a way that the mechanism by which a Resigning Panel Member is replaced by an Alternate continues throughout all timescales.

- 4.11 The Working Group did believe however that there was some merit in retaining some form of “cut-off” regarding the requirement to hold elections to elect further Alternates once the numbers of Alternates has been eroded to zero. The debate centred around which point in time would it no longer be efficient to elect further Alternates given that a full CUSC Panel election would be imminent. The approximate timescale to hold an election based around the existing CUSC election process is around three months. It was therefore suggested that if the number of Alternates was to fall to zero with less than three months remaining until the next full CUSC election then no further election should be held in advance of the main CUSC Panel election. The CUSC Panel would therefore operate without Alternates for this short period.
- 4.12 The Working Group noted that such a system has its drawbacks. For instance if the number of Alternates was to fall to zero 4 or 5 months in advance of a main CUSC Panel election, then elections would be held to elect up to five Alternates. However due to the three-month lead-time before they are elected they would hold office for just 1 or 2 months. Therefore there would be a low probability that they would be required to attend a CUSC Panel Meeting in the place of a Panel Member. Given this low probability it would appear that any election held so near to a main CUSC Panel election would be inefficient. To mitigate this effect it was proposed to retain a six-month threshold for holding additional elections to replace Alternate Members. This threshold would mean that any Alternates elected mid-term should be available for a minimum of three CUSC Panel meetings and therefore the chances that they would be called upon would be greater and so justify the election being held. It was recognised however that the move to a six-month lead-time did extend the period where the Panel could be operating without alternates. The Working Group felt that the benefit gained by not holding potentially unnecessary elections outweighed this disadvantage and so a six-month threshold was recommended as a key point of the Working Group Alternative Amendment.

Application of Revised Process

- 4.13 The proposal put forward by CAP075 suggests that the revised process only applies in the event a Panel Member or Alternate Member resigns voluntarily. Therefore it would not apply to any other circumstance in which the Panel Member or Alternate ceased to hold office for instance:
- Where the Panel resolves that the Panel/Alternate Member should cease to hold office and where OFGEM does not veto such a resolution within 15 days
 - Bankruptcy
 - Insanity
 - Death
 - Conviction of an indictable offence
- 4.14 The Working Group debated whether the restriction of the new mechanism to Panel Members or Alternate Members that tender their resignation was appropriate. It was noted that because Alternate Members are not replaced when they resign or are promoted to the role of a Panel Member this issue is restricted to Resigning Panel Members only. The conclusion of the debate was that the restriction did not appear to be appropriate given the following reasons:
- A Panel Member ceasing to hold office by any of the existing provisions of section 8 automatically ceases to be a Panel Member and therefore has no authority under which to nominate a replacement.

- The default within the proposed mechanism is that the Alternate Member who received the highest number of votes (or is deemed as such by the tie-break rules) becomes the replacement for the Resigning Panel Member. Thus even if a Resigning Panel Member is unable to nominate their successor the mechanism will still function correctly.
- There is an inherent safeguard within the mechanism in that an Alternate Member will become the replacement Panel Member. This Alternate would have been proposed by a User Member and would have been elected at the previous CUSC election. Therefore the Alternate nominated by the outgoing Panel Member will in all likelihood be an appropriate replacement.

4.15 In light of this conclusion the Working Group decided that the Working Group Alternative Amendment should be developed such that the mechanism it proposes for the replacement of a Resigning Panel Member should apply to all circumstances in which a Panel Member ceases to hold office.

5 ASSESSMENT AGAINST THE APPLICABLE CUSC OBJECTIVES

- 5.1 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.
- 5.2 According to the Proposer, CAP075 proposes more efficient arrangements to surround the operation of the CUSC Panel. Thus it enables the Transmission Licensee to more efficiently discharge the obligations placed upon it by the Electricity Act and the Transmission Licence. This proposal is therefore consistent with the applicable CUSC objective described by Condition C7F, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

6 WORKING GROUP ALTERNATIVE AMENDMENT

- 6.1 The Working Group Alternative Amendment developed as part of the wider discussion of CAP075 has the following key features

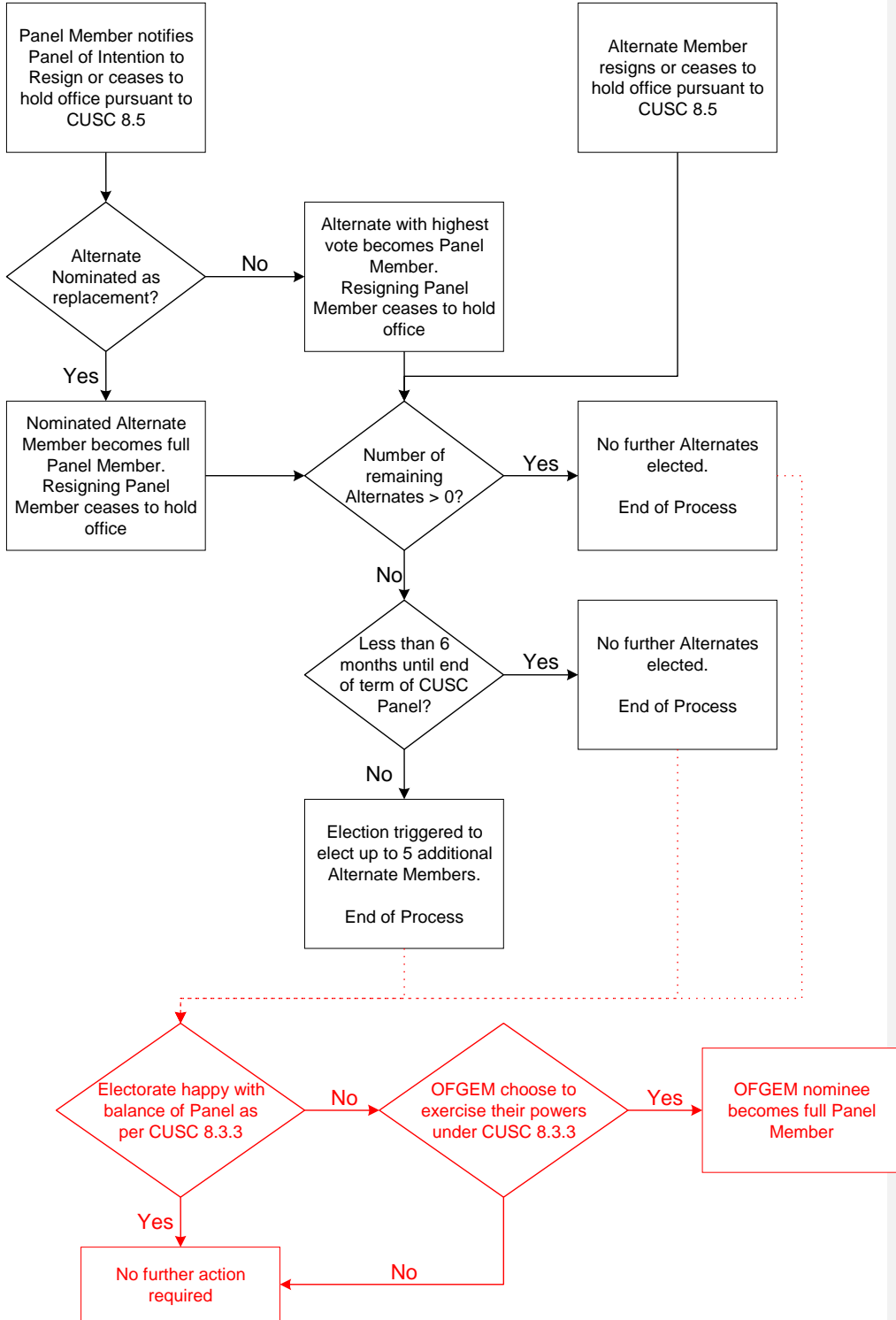
Panel Members

- Any Panel Member who intends to resign shall inform the Panel Secretary at the time of resignation that they wish to nominate their successor from the available Alternate Members. Such a decision should ideally be taken before the Panel Member ceases to hold office to ensure that the Panel Member's obligations to act impartially are maintained.
- Should the Panel Member choose to nominate their successor in this way then the Alternate Member they nominate will become a Panel Member.
- Should the Panel Member choose not to nominate their successor in this way then the Alternate Member who had received the highest number of votes in the previous CUSC Election shall become a Panel Member once the resignation of the Resigning Panel Member becomes effective.
- Should there be two or more Alternate Members jointly holding the position of the Alternate Member who had received most votes in the previous CUSC election, (as defined in Section 8A) then these rules shall be used to identify which Alternate Members becomes the replacement Panel Member once the resignation of the Resigning Panel Member becomes effective.

Alternate Members

- Up to five (5) Alternate Members may hold office at any time.
- Any Alternate Member that ceases to hold office pursuant to paragraph 8.5 would not be replaced.
- If the number of Alternate Members falls to zero not less than six months before the end of a term of office of a CUSC Panel then a further election will be held to elect up to five additional Alternate Members. Should the numbers of Alternate Members fall to zero within six months of the end of a term of office of a CUSC Panel, no additional Alternates will be elected and the Panel will operate in the absence of Alternates for this period. Given that a new CUSC Panel ordinarily takes office on 1st October in an Election Year, this would place the cut-off for the process to elect additional Alternate Members to be invoked at 1st April in the same Election Year.

6.2 Diagrammatically this process is as follows:



Working Group Alternative Amendment Process

Existing Process

- 6.3 The Working Group agreed that the Working Group Alternative Amendment proposes more efficient arrangements to surround the operation of the CUSC Panel. Thus it enables the Transmission Licensee to more efficiently discharge the obligations placed upon it by the Electricity Act and the Transmission Licence. This proposal is therefore consistent with the applicable CUSC objective described by Condition C7F, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

7 PROPOSED IMPLEMENTATION AND TIMESCALES

- 7.1 There is no material impact associated with the timing of the implementation of CAP075 or the Working Group Alternative Amendment. It is therefore proposed that implementation takes place with effect from 10 days after the Authority's decision.

8 IMPACT ON INDUSTRY DOCUMENTS

- 8.1 There is no impact on core industry documentation from CAP075 or the Working Group Alternative Amendment Proposal.

9 LEGAL DRAFTING

- 9.1 Legal drafting for the CAP075 and the Working Group Alternative Amendment Proposals is at Annex 2.

Annex 1 - Terms of Reference

Governance Standing Group - Terms of Reference Paper

Introduction

1. National Grid presented CAP075 to the Amendments Panel meeting on 25 June 2004 which considered changes to the arrangements of replacing resigning Panel Members and Alternates.
2. Following discussion at the Panel meeting of the issues raised, the Panel agreed to a Working Group to consider these issues further and bring forward recommendations to the Panel. The Governance Standing Group was asked to convene as a Working Group in order to consider CAP075 and report back to the August Panel.
3. This paper outlines the working arrangements and terms of reference for the Governance Standing Group (GSG).

Proposed Membership of the Governance Standing Group

4. At the 25 June 2004 Amendments Panel meeting, the Amendments Panel agreed to establish the GSG with the following membership:

Chair:	Bob Brown	(Cornwall Consulting)
Other Members:	Steve Drummond	(EdF Trading)
	Mark Duffield	(National Grid)
	Simon Goldring	(Centrica)
	David Lane	(Clear Energy)
	Georgina Lawrence	(Ofgem) Observer
	Steve Phillips	(British Energy)
	Neil Smith	(E.On)
	Malcolm Taylor	(AEP)

Technical Secretary: Lindsey Paradine

Meeting Administration

5. The frequency of GSG meetings shall be defined as necessary by the GSG Chair to meet the scope, objectives and time-scales as defined by the Amendments Panel.
6. National Grid will provide technical secretary resource to the GSG and handle administration arrangements such as venue, agenda and minutes etc.

Scope of Work and Process

7. The GSG has been established and actioned to consider, as a Working Group, revisions to specific areas of the arrangements for replacing resigning Panel Members and Alternates. Specifically the following issues have been identified:
 - I. The right of Panel Members to nominate their successor.
 - II. Modification of requirement of 5 alternates to not less than 3 and not more than 10.
 - III. Non replacement of alternates.
 - IV. Six month ruling in relation to activation of election.
 - V. Application of process to resigning Panel Members only and suitability for extending to all situations resulting in departure of Panel Member.

8. Condition C7F (Paragraph 6) of National Grid's Transmission Licence requires the licensee to establish and operate procedures for the modification of the CUSC (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable CUSC objectives. In view of this, the GSG should consider how any proposed changes would better accomplish this requirement when compared to the current procedures.
9. It should be noted that, in accordance with Section 8 of the CUSC, the GSG as a standing group under the Amendments Panel, cannot itself propose an amendment to the CUSC.

Relationship with Amendments Panel

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

Meetings

12. The GSG shall develop and adopt its own internal working procedures and provide a copy to the Panel Secretary.

Reporting and Timescales

13. The GSG shall consider the scope and objectives above and provide verbal updates to the Panel at each Amendments Panel meeting.
14. A Working Group report will be presented to the Panel not later than the 20th August 2004 reporting back on the issues and scope detailed above.

Annex 2 – CUSC Amendment Proposal Form – CAP075

CUSC Amendment Proposal Form	CAP:075
Title of Amendment Proposal: Arrangements for replacing Resigning Panel Members and Alternates	
Description of the Proposed Amendment (mandatory by proposer): The objective of this amendment is to allow for greater flexibility in the Panel Structure to mitigate the effects of a Panel Member or Alternate Member resigning. The proposal is to amend the existing process for replacing Resigning Panel Members or Resigning Alternate Members as follows: <ul style="list-style-type: none"> • The current requirement for up to five Alternate Members would be modified such that there were at least three and a maximum of ten Alternate Members holding office at any one time. • If a Panel Member then resigns, the Panel Member may nominate their replacement from the pool of existing Alternate Members, thus avoiding the need for an election to replace the Resigning Panel Member. If the Panel Member chooses not to nominate their successor in this way, the Alternate member who had received the highest number of votes in the previous CUSC election would be elected to the Panel. • If an Alternate Member resigns or becomes a Panel Member, then they will not be replaced, provided that the number of Alternate Members remains at three or above. In the event that the number of Alternate Members falls below three through resignation or promotion to Panel membership, the existing election process will be followed to replace the Resigning Alternate Member. 	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): The existing arrangements governing the constitution of the CUSC Panel can be found in Section 8 of the CUSC. They state that upon the resignation of an existing Panel Member or Alternate Member who has not less than 6 months of their term of office remaining at the time of resignation, NGC must hold new elections to replace the Resigning Panel Member or Resigning Alternate Member. The election process has the potential to be a lengthy process and inefficient given that only one Panel Member or Alternate Member would be elected through it. It is believed that a more efficient process should be put in place for the replacement of Resigning Panel Members or Resigning Alternative Members.	
Impact on the CUSC (this should be given where possible): Revisions to section 8 and Annex 8A of the CUSC	
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):
This modification proposes more efficient arrangements to surround the operation of the CUSC Panel. Thus it enables the Transmission Licensee to more efficiently discharge the obligations placed upon it by the Electricity Act and the Transmission Licence. This proposal is therefore consistent with the applicable CUSC objective described by Condition C7F, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

Details of Proposer: Organisation's Name:	The National Grid Company plc
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 The National Grid Company plc 01926 656312 ben.graff@ngtuk.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mark Duffield The National Grid Company plc 01926 654971 mark.duffield@uk.ngrid.com
Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment:	
Indicative Draft Legal Text for Section 8 and Annex 8A (3 pages)	

Notes:

- 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.
- 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 C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

8A.4.2.1 Where this Paragraph 8A.4.2 applies a replacement **Panel Member** shall be appointed (subject to Paragraph 8A.4.2.2) by **the Resigning Panel Member** (for the remainder of the term of office of the **Resigning Panel Member**).

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8A.4.2.2 A **Resigning Panel Member** shall only appoint an **Alternate Member** to be the replacement **Panel Member**. An **Alternate Member** appointed as a **Panel Member** subject to Paragraph 8A.4.2.1 shall be deemed to be a **Resigning Alternate Member** and Paragraph 8A.4.2.4 shall apply

8A.4.2.3 Should a **Resigning Panel Member** not appoint a replacement **Panel Member** in accordance with 8A.4.2.1 then the **Alternate Member** who received the highest cumulative number of **Preference Votes** which were counted (under the first or second or third voting round or further round under Paragraph 8A.3.6, as the case may be) will be appointed as the replacement **Panel Member**. An **Alternate Member** appointed as a **Panel Member** subject to Paragraph 8A.4.2.3 shall be deemed to be a **Resigning Alternate Member** and Paragraph 8A.4.2.4 shall apply

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8A.4.2.4 (Subject to Paragraph 8A.4.2.5) a **Resigning Alternate Member** shall not be replaced.

8A.4.2.5 Where less than three (3) **Alternate Members** remain in office following the resignation of an **Alternate Member**, the **Resigning Alternate Member** shall be elected (for the remainder of the term of office of the **Resigning Alternate Member**) in accordance with Paragraph 8A.2 and 8A.3 but subject to the further provisions of this Paragraph 8A.4.2

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8A.4.2.6 Only those Users who voted for the **Resigning Alternate Member**, or who did not vote for (and are not **Affiliates** of any **User** which voted for) any elected **Alternate Member** still serving, shall participate in the election by nominating candidates or submitting voting papers.

8A.4.2.7 **NGC** shall circulate to all **Users** a list of the **Users** who are to participate in the election.

8A.4.2.8 For the purposes of this Paragraph 8A.4.2 a **User** is considered (in any election of **Users' Alternate Members**) to have voted for an elected candidate where that **User** indicated a **Preference Vote** in favour of that candidate which was counted (under the first or second or third voting round or further round under Paragraph 8A.3.6, as the case may be) in electing that candidate.

8A.4.2.9 The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.

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8A.4.2-3 Replacement for not less than 6 months pursuant other than to Paragraph 8.5.1 (b) (i)

8A.4.23.1 Where this Paragraph 8A.4.2-3 applies, a replacement **Panel Member** or **Alternate Member** shall be elected (for the remainder of the term of office of the **Resigning Panel Member** or **Resigning Alternate Member**) in accordance with Paragraph 8A.2 and 8A.3 but subject to the further provisions of this Paragraph 8A.4.23.

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8A.4.23.2 Only those **Users** who voted for the **Resigning Panel Member** or **Resigning Alternate Member**, or who did not vote for (and are not **Affiliates** of any **User** which voted for) any elected **Panel Member** or **Alternate Member** still serving, shall participate in the election by nominating candidates or submitting voting papers.

- 8A.4.23.3 **NGC** shall circulate to all **Users** a list of the **Users** who are to participate in the election.
- 8A.4.23.4 For the purposes of this Paragraph 8A.4.2-3 a **User** is considered (in any election of **Users' Panel Members** and **Alternate Members**) to have voted for an elected candidate where that **User** indicated a **Preference Vote** in favour of that candidate which was counted (under the first or second or third voting round or further round under Paragraph 8A.3.6, as the case may be) in electing that candidate.
- 8A.4.23.5 The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.

8A.4.34 Replacement for less than 6 months

- 8A.4.34.1 Where this Paragraph 8A.4.3-4 applies, the **User** which nominated the **Resigning Panel Member** or **Resigning Alternate Member** shall be entitled (by notice to **NGC**) to appoint a replacement **Panel Member** or **Alternate Member** for the remainder of the term of office of the **Resigning Panel Member** or **Resigning Alternate Member**.
- 8A.4.34.3 If such **User** does not appoint a replacement, the position shall remain vacant until the next full election.

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(B) Legal Text for CAP075 Working Group Alternative

See Separate Attachment

