



# National Grid

## AMENDMENT REPORT

### CUSC Proposed Amendment CAP075 Arrangements for Replacing Resigning Panel Members and Alternates

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP075*

|               |                  |
|---------------|------------------|
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| Prepared by   | National Grid    |

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| 1.1     | 23/12/04 | 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 CAP075 proposes the introduction of revised arrangements for the replacement of Resigning Panel Members and/or Resigning Alternate Members. The existing arrangements governing the constitution of the CUSC Panel can be found in Section 8 and Annex 8A 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 current election process has the potential to be lengthy and inefficient given that only one Panel Member or Alternate Member would be elected through it. There is also potential for this election process to be invoked several times during the term of a CUSC Panel should more than one Panel Member or Alternate Member cease to hold office which increases the potential for inefficiency. NGC proposes that a more efficient process should be put in place for the replacement of Resigning Panel Members or Resigning Alternative Members and that this would better facilitate the Applicable CUSC Objectives.
- 1.2 NGC submitted CAP075 to the June 2004 meeting of the CUSC Panel. Essentially CAP075 seeks to remove, in the main, the need to hold elections to replace a Resigning Panel or Alternate Member. Instead it proposes to confer the right upon a Resigning Panel Member who tenders their resignation to nominate their successor from the Pool of available Alternate Members. Should a Resigning Panel Member choose not to invoke this right, or if a Panel Member ceases to hold office in a manner other than by tendering their resignation then the Alternate Member whom had received the highest number of votes at the previous CUSC election would be promoted to the role of Panel Member. Resigning Alternate Members would not be replaced unless such non-replacement would result in the numbers of Alternate Members falling below a predefined threshold. In such cases an election would be held to replace the Resigning Alternate Member.
- 1.3 The CUSC Panel asked the Governance Standing Group (GSG) to act as the Working Group for CAP075. In assessing the modification the GSG developed a Working Group Alternative Amendment, hereafter referred to as CAP075A, that was built around the same principles as the original CAP075, but that sought to clarify certain processes and to modify the threshold level for Alternate Members contained within the original proposal. The CUSC Panel recommended that both CAP075 and CAP075A proceed to industry consultation.
- 1.4 During the course of the Industry consultation a Consultation Alternative Amendment was put forward after discussions between one of the respondents and NGC, hereafter referred to as CAP075CAA.

### **National Grid Recommendation**

- 1.5 National Grid recommends that CAP075CAA should be implemented. However, if the Authority chooses not to implement CAP075CAA then NGC would favour the implementation of CAP075A. If the Authority chooses not to implement CAP075A then National Grid would favour implementation of the Original Proposal.
- 1.6 NGC recommends that CAP075CAA should be implemented within 10 business days of the Authority's decision.

## **2.0 PURPOSE AND SCOPE OF THE REPORT**

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses issues relating to arrangements for replacing Resigning Panel Members and Alternates as addressed in CAP075.
- 2.2 Further to the submission of Amendment Proposal CAP075 (see Annex 1) and the subsequent wider industry consultations that were undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority (“the Authority”) in order to assist them in their decision whether to implement Amendment Proposal CAP075.
- 2.3 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid’s recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a ‘summary’ of the representations received is also provided. Copies of each of the responses to the consultation 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 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.
- 3.2 This existing election process has the potential to be both lengthy and inefficient given that only one Panel Member or Alternate Member would be elected through it. The approximate timescales involved for such an election process would be around two months from the point at which the Resigning Panel/Alternate Member tenders their resignation through to their replacement being confirmed. There is also the potential for this process to be repeated on several occasions throughout the term of a CUSC Panel should more than one Panel Member or Alternate Member cease to hold office. With this in mind CAP075 was devised in order to reduce these inefficiencies.
- 3.3 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.
- 3.4 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.

### **Working Group Discussions and CAP075A**

3.5 The Working Group Alternative Amendment has been developed as part of the wider discussion of CAP075 and builds upon the original CAP075 proposal. CAP075A has the following key features

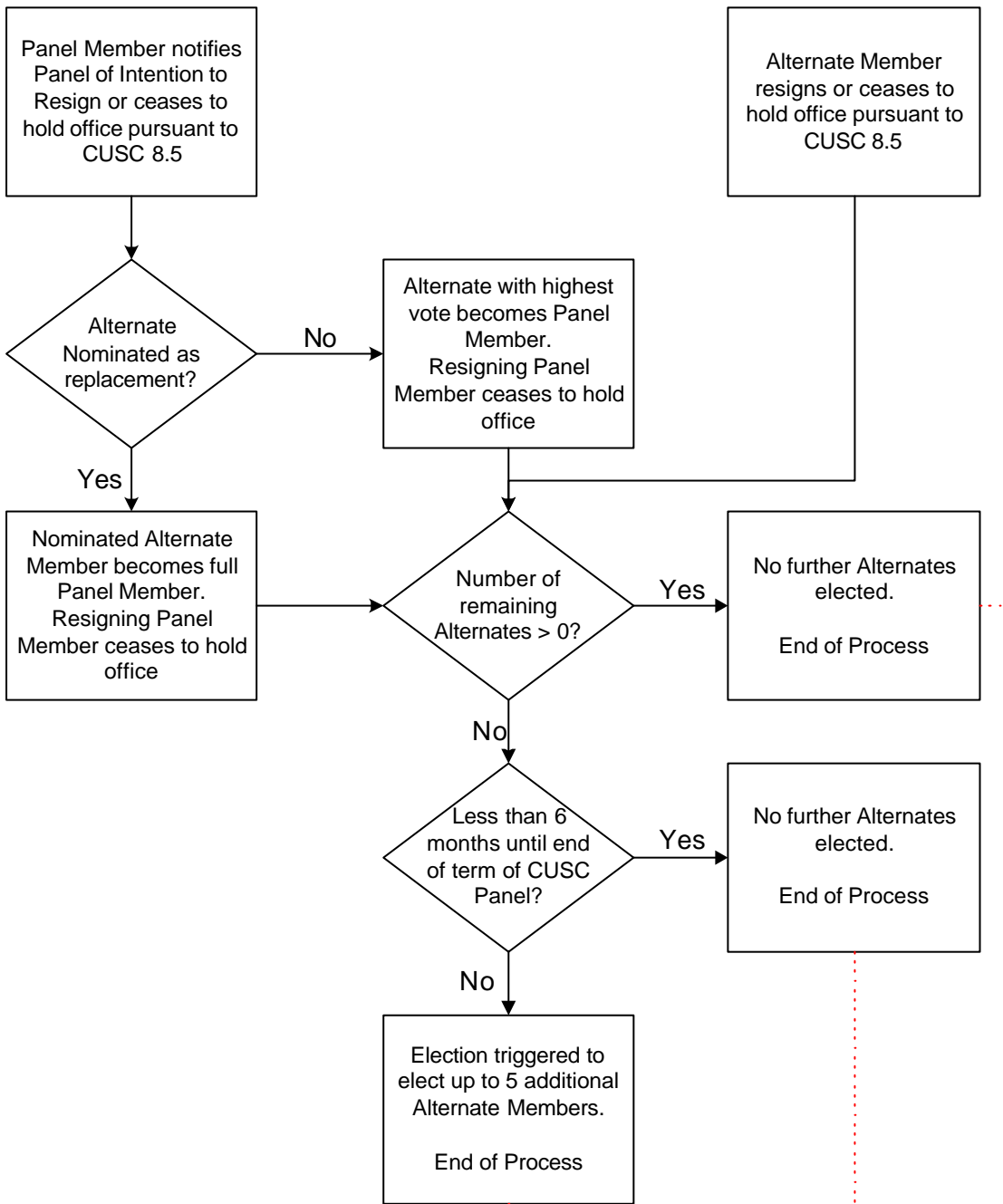
#### **Panel Members**

- Any Panel Member who intends to resign shall inform the Panel Secretary at the time of resignation if they wish to nominate their successor from the available Alternate Members. Such a decision has to 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 Member becomes the replacement Panel Member once the resignation of the Resigning Panel Member becomes effective.

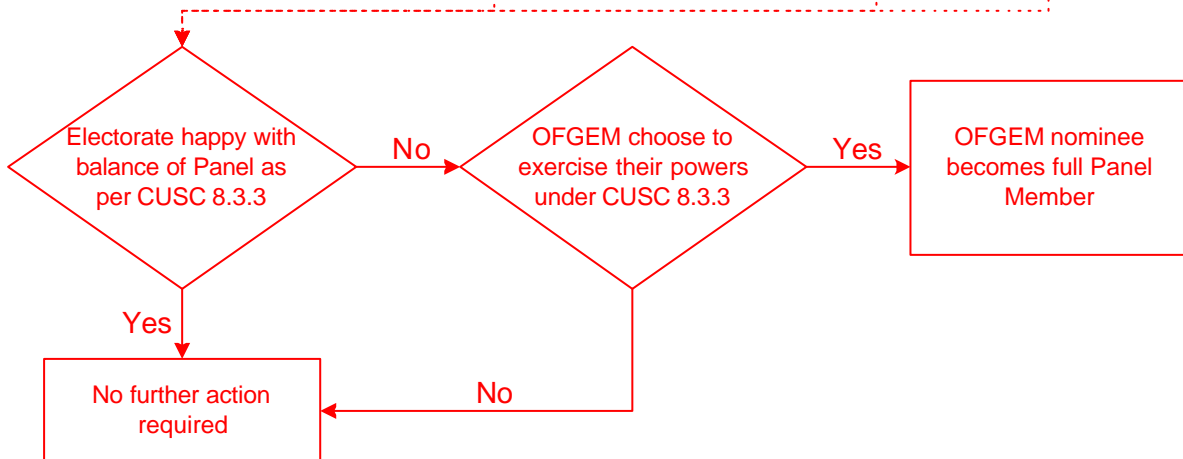
#### **Alternate Members**

- 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 1<sup>st</sup> October in an Election Year, this would place the cut-off for the process to elect additional Alternate Members to be invoked at 1<sup>st</sup> April in the same Election Year.

3.6 Diagrammatically this process is as follows



**Working Group Alternative Amendment Process**



**Existing Process**



- 3.7 The Working Group agreed that CAP075A proposes more efficient arrangements to support the operation of the CUSC Panel than both the existing CUSC provisions and the original CAP075 Amendment. NGC also notes that CAP075A builds substantially upon the proposals put forward by the original CAP075. It also serves to both clarify the process put forward by CAP075 and also to allow for a number of greater efficiencies to be made. These greater efficiencies include the clarification that an election for further Alternate Members will not be held until the original pool of Alternates has been exhausted. CAP075A therefore 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 C10, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

#### **4.0 IMPLEMENTATION AND TIMESCALES**

- 4.1 It is proposed that implementation takes place 10 business days after the Authority's decision.

#### **5.0 IMPACT ON THE CUSC**

- 5.1 CAP075A and CAP075CAA would require amendments to Annex 8A and Section 11 (Definitions) of the CUSC. CAP075 would require amendments to Paragraph 8.6.2 and Annex 8A of the CUSC.
- 5.2 The text required to give effect to CAP075, CAP075A and CAP075CAA is contained at Annex 2 of this document.

#### **6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES**

- 6.1 The implementation of CAP075 or CAP075A or CAP075CAA would remove a number of inefficiencies relating to the replacement of Resigning Panel/Alternate Members, most notably removing the requirement for elections to be held to replace Resigning Panel/Alternate Members in the majority of circumstances. Either CAP075 or CAP075A or CAP075CAA if implemented will enable National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence. CAP075, CAP075A and CAP075CAA are therefore consistent with the applicable CUSC objective described by Condition C10, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

#### **7.0 IMPACT ON CUSC PARTIES**

- 7.1 No impact has been identified on CUSC Parties from CAP075 or either of the two Alternative Amendments.

#### **8.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

- 8.1 Neither CAP075 or the two Alternative Amendments will have an impact on core industry documents or other industry documents.

#### **9.0 ALTERNATIVE AMENDMENTS**

- 9.1 CAP075A is described in Section 3 of this Report. CAP075CAA is based on suggested improvements to the legal text suggested by the respondent in CAP075-CR-01 and is described in Section 10 of this report.

## 10.0 VIEWS AND REPRESENTATIONS

- 10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of CAP075, CAP075A and CAP075CAA.
- 10.2 The respondent in CAP075-CR-01 supported CAP075A but put forward minor improvements to the legal text. After further discussion with the respondent National Grid formulated CAP075CAA which draws substantially on the improvements to the legal text detailed in CAP075-CR-01 (see Section 12). The respondent in CAP075-CR-02 supported CAP075A.

### View of Core Industry Document Owners

- 10.3 No responses to the CAP075 consultation documents were received from core industry document owners.

### Responses to Industry Consultations

- 10.4 The following tables provide an overview of the representations received. Copies of the representations are attached as Annex 3.

#### Responses to the Consultation on CAP075 and CAP075A

| Reference    | Company     | Supportive            | Comments   |
|--------------|-------------|-----------------------|--|
| CAP075-CR-01 | Centrica    | No (but see comments) | Supports CAP075A but suggested changes to the legal text for CAP075A which persuaded NGC to put forward CAP075CAA. |
| CAP075-CR-02 | Edf Trading | Yes                   |  |

#### Responses to the Consultation on CAP075CAA

| Reference      | Company  | Supportive | Comments |
|----------------|----------|------------|----------|
| CAP075-CAAR-01 | Centrica | Yes        |          |
| CAP075-CAAR-02 | E.ON UK  | Yes        |          |

## 11.0 SUMMARY OF PANEL MEMBERS VIEWS

11.1 The Panel considered CAP075 and the Working Group Alternative Amendment CAP075A at its meeting on 26<sup>th</sup> September 2004 and agreed that National Grid should proceed to industry consultation on CAP075 and CAP075A

## 12.0 NATIONAL GRID RECOMMENDATION

12.1 National Grid recommends the implementation of CAP075CAA as a further improvement on CAP075A. Thus we support point (ii) made by the respondent in CAP075-CR-01. However on point (iv), we would retain the term "Resigning" Panel Member in Paragraph 8A.4.1.3 as this is where the term is defined and make this clear with an appropriate addition to Definitions in Section 11 in the legal drafting. Consistent with the respondent's point (iii) in CAP075-CR-01, we would also delete "Users' " in Paragraph 8A.2.2.4. These minor changes to the proposed Consultation Alternative Amendment have been agreed with the respondent who submitted CAP075-CR-01 and are reflected in CAP075CAA.

12.2 NGC also agreed with the respondent's point (i) in CAP075-CR-01 and has reflected the revised wording in this Amendment Report for CAP075.

12.3 The differences between CAP075A and CAP075CAA are minor improvements to the legal text as detailed in Annex 2. CAP075A addresses the issues identified through CAP075 and in turn allows a greater number of potential efficiencies to be achieved. These include:

- A lower threshold below which elections to elect further Alternate Members are triggered.
- Where elections are triggered up to five Alternate Members will be elected rather than the single replacement Alternate Member proposed by CAP075.
- CAP075A clarifies significantly the rights and obligations of a Resigning Panel Member in the event a Resigning Panel Member chooses to nominate their successor.
- CAP075A also allows the revised arrangements to be applied to all scenarios where a Panel Member or Alternate Member ceases to hold office and not just the circumstance where a Panel Member or Alternate Member tenders their resignation.

12.4 CAP075A therefore enables the Transmission Licensee to more efficiently discharge the obligations placed upon it by the Electricity Act and the Transmission Licence. CAP075A is therefore consistent with the applicable CUSC objective described by Condition C10, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC.

12.5 If the Authority chooses not to implement CAP075CAA then National Grid would favour the implementation of CAP075A. If the Authority chooses not to implement either CAP075CAA or CAP075A then National Grid would favour the implementation of CAP075. National Grid believes that CAP075CAA would also better facilitate achievement of the Applicable CUSC Objectives than the existing provisions through the removal of a number of inefficiencies within the existing process for replacing Resigning Panel Members and/or Resigning Alternate Members. CAP075CAA therefore also enables the Transmission Licensee to more efficiently discharge the obligations placed upon it by the Electricity Act and the Transmission Licence and is therefore

consistent with the applicable CUSC objective described by Condition C10, Paragraph 1 (a) of the Electricity Transmission Licence held by NGC

### **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**

|   |                |
|---|----------------|
| <b>CUSC Amendment Proposal Form</b>   | <b>CAP:075</b> |
| <i>Title of Amendment Proposal:</i>   |                |
| <b>Arrangements for Replacing Resigning Panel Members and Alternates</b>  |                |
| <i>Description of the Proposed Amendment (mandatory by proposer):</i>   |                |
| <p><b>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:</b></p> <ul style="list-style-type: none"> <li>• The current requirement for up to five Alternate Members would be modified such that there were <b>at least three</b> and a maximum of <b>ten</b> Alternate Members holding office at any one time.</li> <li>• 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.</li> <li>• <i>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.</i></li> </ul> |                |
| <i>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</i>   |                |
| <p><b>The existing arrangements governing the constitution of the CUSC Panel can be found in Section 8 and Annex 8A 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.</b></p>   |                |
| <b>Impact on the CUSC (this should be given where possible):</b>  |                |
| Revisions to section 8 and Annex 8A of the CUSC   |                |
| <b>Impact on Core Industry Documentation (this should be given where possible):</b>   |                |
| None  |                |
| <b>Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):</b>   |                |
| None  |                |
| <b>Details of any Related Modifications to Other Industry Codes (where known):</b>  |                |
| 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.***

|  |   |
|--|---|
| <b>Details of Proposer:</b><br>Organisation's Name:  | <b>The National Grid Company plc</b>  |
| Capacity in which the Amendment is being proposed:<br>(i.e. CUSC Party, BSC Party or "energywatch")            | CUSC Party  |
| <b>Details of Proposer's Representative:</b><br>Name:<br>Organisation:<br>Telephone Number:<br>Email Address:  | <b>Ben Graff</b><br><b>The National Grid Company plc</b><br><b>01926 656312</b><br><a href="mailto:ben.graff@ngtuk.com">ben.graff@ngtuk.com</a> |
| <b>Details of Representative's Alternate:</b><br>Name:<br>Organisation:<br>Telephone Number:<br>Email Address: | Mark Duffield<br>The National Grid Company plc<br>01926 654971<br><a href="mailto:mark.duffield@uk.ngrid.com">mark.duffield@uk.ngrid.com</a>    |
| <b>Attachments (Yes/No): Yes</b><br><b>If Yes, Title and No. of pages of each Attachment:</b>                  |   |
| <b>Indicative Draft Legal Text for Section 8 and Annex 8A (3 pages)</b>  |   |

**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](mailto: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.

## Annex 2 – Proposed Text to modify CUSC

### Part A - Text to give effect to the Proposed Amendment

#### SECTION 8 – CUSC AMENDMENTS

##### 8.6.2 Alternate(s): Users Panel Members

- (a) At the same time that **Users** appoint **Panel Members** under Paragraph 8.3.2, they shall appoint up to ~~five (5)~~ ten (10) alternate members for **Users' Panel Members** ("**Alternate Members**") by election in accordance with Annex 8A.

#### ANNEX 8A ELECTION OF USERS' PANEL MEMBERS

##### 8A.3.7 **Alternate Members and Panel Members**

The seven (7) candidates receiving the greatest number of votes shall be elected as **Users' Panel Members** and the next ~~five (5)~~ ten (10) shall be elected as **Alternate Members**.

##### 8A.4 **VACANCIES**

##### 8A.4.1 **General**

8A.4.1.1 If a **Panel Member** (the "**Resigning**" **Panel Member**) or an **Alternate Member** (the "**Resigning**" **Alternate Member**) ceases to hold office pursuant to Paragraph 8.5:

- (a) not less than 6 months before the expiry of the term of his office and pursuant to Paragraph 8.5.1 (b) (i), Paragraph 8A.4.2 shall apply
- (b) not less than 6 months before the expiry of the term of his office and pursuant to a clause other than Paragraph 8.5.1 (b) (i), Paragraph 8A.4.2 3 shall apply.
- (~~bc~~) less than 6 months before the expiry of the term of his office, Paragraph 8A.4.3 shall apply.

8A.4.1.2 The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or **Alternate Member** under this Paragraph 8A.4.

##### 8A.4.2 **Replacement for not less than 6 months pursuant to Paragraph 8.5.1 (b) (i)**

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**).

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

**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 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

**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.

#### **8A.4.23** Replacement for not less than 6 months

**8A.4.23.1** Where this Paragraph 8A.4.2 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.4.2.

**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 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 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.4.34.32** If such **User** does not appoint a replacement, the position shall remain vacant until the next full election.

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

**8A.2.2.3** ~~# Except where Paragraph 8A.4.4 applies, if~~ seven (7) or fewer candidates are nominated ~~(or where Paragraph 8A.4 applies only one such candidate is nominated)~~ no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Users' Panel Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

~~**8A.2.2.4** Where Paragraph 8A.4.4 applies, if five (5) or fewer candidates are nominated, no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Users' Alternate Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).~~

**8A.3.3.1** (b) N is the number of **Users' Panel Members** and/or **Alternate Members** to be elected.

**8A.3.4.1** (d) N<sup>l</sup> is the number of **Users' Panel Members** and/or **Alternate Members** to be elected.

#### **8A.3.7 Alternate Members and Panel Members**

~~**8A.3.7.1** The Except where Paragraph 8A.4.4 applies, the seven (7) candidates receiving the greatest number of votes shall be elected as **Users' Panel Members** and the next five (5) shall be elected as **Alternate Members**.~~

~~**8A.3.7.2** Where Paragraph 8A.4.4 applies the five (5) candidates receiving the greatest number of votes pursuant to the **Alternate Election Process** shall be elected as **Users' Alternate Members**.~~

### **8A.4. VACANCIES**

#### **8A.4.1 General**

**8A.4.1.1** If a **Panel Member** ~~(the "**Resigning**" **Panel Member**) or an **Alternate Member**)~~ the ~~**Resigning Alternate Member**~~ ceases to hold office pursuant to Paragraph 8.5.1 (b) (i) then Paragraph 8A.4.2 shall apply:

~~(a) not less than 6 months before the expiry of the term of his office, Paragraph 8A.4.2 shall apply.~~

~~(b) less than 6 months before the expiry of the term of his office, Paragraph 8A.4.3~~

- ~~8A.4.1.2~~ ~~The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or **Alternate Member** under this Paragraph 8A.4. If a **Panel Member** ceases to hold office pursuant to Paragraph 8.5.1 (a), 8.5.1 (b) (ii) to (vi) (inclusive) or 8.5.1 (c) to (e) (inclusive) then Paragraph 8A.4.3 shall apply.~~
- ~~8A.4.1.3~~ ~~If an **Alternate Member** ceases to hold office pursuant to Paragraph 8.5 (the "**Resigning**" **Alternate Member**) then Paragraph 8A.4.4 shall apply.~~
- ~~8A.4.1.4~~ ~~The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or any replacement **Alternate Member** under this Paragraph 8A.4.~~
- ~~8A.4.2~~ ~~**Replacement for not less than 6 months of a Panel Member who ceases to hold office pursuant to Paragraph 8.5.1 (b) (i)**~~
- ~~8A.4.2.1~~ ~~Where this Paragraph 8A.4.2 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.4.2.2) and in accordance with the duties set out in Paragraph 8.2.4.1, such **Panel Member** may appoint a replacement **Panel Member** (subject to Paragraph 8A.4.2.2) for the remainder of the term of office of such **Panel Member** and shall notify the **Panel Secretary** of a replacement **Panel Member** at the same time as they resign. If such **Panel Member** does not appoint a replacement at the time of notifying the **Panel Secretary** of their resignation then such **Panel Member** will be replaced in accordance with Paragraph 8A.4.3 and this Paragraph 8A.4.2.1 shall no longer apply.~~
- ~~8A.4.2.2~~ ~~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. A **Panel Member** shall only appoint an **Alternate Member** to be his replacement pursuant to Paragraph 8A.4.2.1 and such **Alternate Member** chosen to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.~~
- ~~8A.4.2.3~~ ~~**NGC** shall circulate to all **Users** a list of the **Users** who are to participate in the election.~~
- ~~8A.4.2.4~~ ~~For the purposes of this Paragraph 8A.4.2 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.4.2.5~~ ~~The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.~~
- ~~8A.4.3~~ ~~**Replacement for less than 6 months of a Panel Member who ceases to hold office pursuant to Paragraph 8.5.1 (a), 8.5.1 (b) (ii) to (vi) (inclusive) or 8.5.1 (c) to (e) (inclusive)**~~

**8A.4.3.1** Where this Paragraph 8A.4.3.1 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~~ such **Panel Member** shall be replaced by the **Alternate Member** who previously received the highest number of cumulative **Preference Votes** but if there were a tie-break in relation to such **Preference Votes** then the tie-break provisions set out in Paragraph 8A.3.6.1 shall apply, in either circumstance such **Alternate Member** selected to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.

~~**8A.4.3.3** If such User does not appoint a replacement, the position shall remain vacant until the next full election.~~

#### **8A.4.4 Replacement of a Resigning Alternate Member**

~~**8A.4.4.1** Subject to Paragraph 8A.4.4.2 a Resigning Alternate Member shall not be replaced.~~

~~**8A.4.4.2** If there are no Alternate Members remaining in office following the resignation of an Alternate Member or their appointment as Panel Member in accordance with 8A.4.2 or 8A.4.3 then~~

~~(a) Where there are not less than six (6) months remaining until the next full election further Alternate Members shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following paragraphs 8A.4.4.3 to 8A.4.4.5 (inclusive) (the "Alternate Election Process").~~

~~(b) Where there are less than six (6) months remaining until the next full election no further Alternate Members shall be elected and the positions shall remain vacant until the next full election~~

~~**8A.4.4.3** Where this paragraph 8A.4.4.3 applies, a reference in Paragraphs 8A.2 and 8A.3 to a Users' Panel Member or Panel Member shall not apply except in the case of Paragraph 8A.3.5.1 (d) where the reference to "Panel Members" shall be read and construed as a reference to "Alternate Members".~~

~~**8A.4.4.4** Any Alternate Member(s) elected pursuant to the Alternate Election Process shall cease to hold office at the next full election.~~

~~**8A.4.4.5** The timetable for the Alternate Election Process shall be expedited and NGC shall prepare a timetable accordingly.~~

### END OF SECTION 8

## Section 11

### Definitions

~~**Resigning Panel Member** as defined in Paragraph 8A.4.1~~

~~**"Alternate Election Process"** As defined in Paragraph 8A.4.4.2~~

## Part C - Text to give effect to the Consultation Alternative Amendment

**8A.2.2.3** ~~# Except where Paragraph 8A.4.4 applies, if~~ seven (7) or fewer candidates are nominated ~~(or where Paragraph 8A.4 applies only one such candidate is nominated)~~ no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Users' Panel Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

8A.2.2.4 Where Paragraph 8A.4.4 applies, if five (5) or fewer candidates are nominated, no further steps in the election shall take place and such candidate(s) shall be treated as elected as **Alternate Members** and Paragraph 8A.3.2.4 shall apply in relation to such candidate(s).

**8A.3.3.1** (b) N is the number of **Users' Panel Members** and/or **Alternate Members** to be elected.

**8A.3.4.1** (d) N<sup>1</sup> is the number of **Users' Panel Members** and/or **Alternate Members** remaining to be elected after the first round.

### 8A.3.7 Alternate Members and Panel Members

8A.3.7.1 ~~The~~ Except where Paragraph 8A.4.4 applies, the seven (7) candidates receiving the greatest number of votes shall be elected as **Users' Panel Members** and the next five (5) shall be elected as **Alternate Members**.

8A.3.7.2 Where Paragraph 8A.4.4 applies the five (5) candidates receiving the greatest number of votes pursuant to the **Alternate Election Process** shall be elected as **Alternate Members**.

## 8A.4. VACANCIES

### 8A.4.1 General

**8A.4.1.1** If a **Panel Member** ~~(the "Resigning" Panel Member) or an Alternate Member) the Resigning Alternate Member)~~ ceases to hold office pursuant to Paragraph 8.5.1 (b) (i) then Paragraph 8A.4.2 shall apply:

~~(a) not less than 6 months before the expiry of the term of his office, Paragraph 8A.4.2 shall apply.~~

~~(b) less than 6 months before the expiry of the term of his office, Paragraph 8A.4.3~~

**8A.4.1.2** ~~The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or **Alternate Member** under this Paragraph 8A.4. If a **Panel Member** ceases to hold office pursuant to Paragraph 8.5.1 (a), 8.5.1 (b) (ii) to (vi) (inclusive) or 8.5.1 (c) to (e) (inclusive) then Paragraph 8A.4.3 shall apply.~~

8A.4.1.3 If an **Alternate Member** ceases to hold office pursuant to Paragraph 8.5 (the "Resigning" **Alternate Member**) then Paragraph 8A.4.4 shall apply.

8A.4.1.4 The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to

any replacement **Panel Member** or any replacement **Alternate Member** under this Paragraph 8A.4.

**8A.4.2** Replacement for not less than 6 months of a Panel Member who ceases to hold office pursuant to Paragraph 8.5.1 (b) (i)

**8A.4.2.1** Where this Paragraph 8A.4.2 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.4.2.2) and in accordance with the duties set out in Paragraph 8.2.4.1, such **Panel Member** may appoint a replacement **Panel Member** (subject to Paragraph 8A.4.2.2) for the remainder of the term of office of such **Panel Member** and shall notify the **Panel Secretary** of a replacement **Panel Member** at the same time as they resign. If such **Panel Member** does not appoint a replacement at the time of notifying the **Panel Secretary** of their resignation then such **Panel Member** will be replaced in accordance with Paragraph 8A.4.3 and this Paragraph 8A.4.2.1 shall no longer apply.

**8A.4.2.2** Only these **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. A **Panel Member** shall only appoint an **Alternate Member** to be his replacement pursuant to Paragraph 8A.4.2.1 and such **Alternate Member** chosen to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in accordance with Paragraph 8A.4.4.

~~**8A.4.2.3** NGC shall circulate to all **Users** a list of the **Users** who are to participate in the election.~~

~~**8A.4.2.4** For the purposes of this Paragraph 8A.4.2 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.4.2.5** The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.~~

**8A.4.3** Replacement for less than 6 months of a Panel Member who ceases to hold office pursuant to Paragraph 8.5.1 (a), 8.5.1 (b) (ii) to (vi) (inclusive) or 8.5.1 (c) to (e) (inclusive)

**8A.4.3.1** Where this Paragraph 8A.4.3.1 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** such **Panel Member** shall be replaced by the **Alternate Member** who previously received the highest number of cumulative **Preference Votes** but if there were a tie-break in relation to such **Preference Votes** then the tie-break provisions set out in Paragraph 8A.3.6.1 shall apply, in either circumstance such **Alternate Member** selected to be a **Panel Member** shall then become a **Resigning Alternate Member** and be replaced in



accordance with Paragraph 8A.4.4.

~~8A.4.3.3 If such **User** does not appoint a replacement, the position shall remain vacant until the next full election.~~

#### **8A.4.4 Replacement of a Resigning Alternate Member**

~~8A.4.4.1 Subject to Paragraph 8A.4.4.2 a **Resigning Alternate Member** shall not be replaced.~~

~~8A.4.4.2 If there are no **Alternate Members** remaining in office following the resignation of an **Alternate Member** or their appointment as **Panel Member** in accordance with 8A.4.2 or 8A.4.3 then~~

~~(c) Where there are not less than six (6) months remaining until the next full election further **Alternate Members** shall be elected in accordance with Paragraphs 8A.2, 8A.3 and subject to the following paragraphs 8A.4.4.3 to 8A.4.4.5 (inclusive) (the "**Alternate Election Process**").~~

~~(d) Where there are less than six (6) months remaining until the next full election no further **Alternate Members** shall be elected and the positions shall remain vacant until the next full election~~

~~8A.4.4.3 Where this paragraph 8A.4.4.3 applies, a reference in Paragraphs 8A.2 and 8A.3 to a **Users' Panel Member** or **Panel Member** shall not apply except in the case of Paragraph 8A.3.5.1 (d) where the reference to "**Panel Members**" shall be read and construed as a reference to "**Alternate Members**".~~

~~8A.4.4.4 Any **Alternate Member(s)** elected pursuant to the **Alternate Election Process** shall cease to hold office at the next full election.~~

~~8A.4.4.5 The timetable for the **Alternate Election Process** shall be expedited and **NGC** shall prepare a timetable accordingly.~~

### **END OF SECTION 8**

## **Section 11**

### **Definitions**

~~**Resigning Panel Member** as defined in Paragraph 8A.4.1~~

~~**"Alternate Election Process"** As defined in Paragraph 8A.4.4.2~~

~~**"Resigning Alternate Member"** as defined in Paragraph 8A.4.1.3~~

### Annex 3 – Copies of Representations Received to Consultation

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 5<sup>th</sup> October 2004 requesting comments by close of business on 26<sup>th</sup> November 2004). The Annex also includes copies of any representations received following circulation of the Consultation on CAP075CAA (Circulated on 7<sup>th</sup> December 2004 requesting comments by close of business on 14<sup>th</sup> December 2004)

Representations were received from the following parties:

| No. | Company  | File Number  |
|-----|----------|--------------|
| 1   | Centrica | CAP075-CR-01 |
| 2   | EdF      | CAP075-CR-02 |

| No. | Company  | File Number    |
|-----|----------|----------------|
| 1   | Centrica | CAP075-CAAR-01 |
| 2   | E.ON UK  | CAP075-CAAR-02 |



|                  |              |
|------------------|--------------|
| <b>Reference</b> | CAP075-CR-01 |
| <b>Company</b>   | Centrica     |



*taking care of the essentials*

National Grid Company plc  
National Grid Transco House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 5DA

For the Attention of Mark Duffield -  
Commercial

**Centrica Energy**

**Millstream East,  
Maidenhead Road,  
Windsor,  
Berkshire SL4 5GD**

Tel. (01753) 431051  
Fax (01753) 431150  
www.centrica.com  
Our Ref.  
Your Ref.  
25 November 2004

Dear Mark,

*RE: CUSC Amendment Proposal CAP075 – Arrangements for Replacing Resigning Panel Members and Alternates*

Thank you for the opportunity to submit comments on this Amendment Proposal. Centrica supports the Working Group Alternative Amendment as we believe it better facilitates achievement of the applicable objectives and the proposed implementation timetable. We do not support the original Amendment Proposal.

Our detailed comments refer to the Working Group Alternative section of the Consultation Document and the Legal Text provided in Annex 3, and are as follows:

- i) Para 4.1, Bullet 1 – in line 2, after “resignation”, delete “that” and replace with “if”. In line 3, delete “should ideally be” and replace with “has to be”, to clarify the choices available.

In the legal drafting -

- ii) 8A.3.3.1(d) – we believe that this should actually refer to 8A.3.4.1(d) and the wording should be “N’ is the number of **Panel Members** and/or **Alternate Members** remaining to be elected after the first voting round.”
- iii) 8A.3.7.2 – delete “Users” from line 3, as it is not required.
- iv) 8A.4.1.3 – delete “(the **“Resigning” Alternate Member)**”, as it is not required.

This response should be treated as a Consultation Alternative Amendment if necessary.

Should you require any further clarification of our comments, please do not hesitate to contact me.

Yours sincerely,

Simon Goldring  
Transportation Manager

|                  |              |
|------------------|--------------|
| <b>Reference</b> | CAP075-CR-02 |
| <b>Company</b>   | EDF          |

**Our Ref  
Your**

Mark Duffield  
National Grid Company plc  
National Grid Transco House  
Gallows Hill  
Warwick  
CV34 5DA

**Date** 22 November 2004

Dear Mark

**CUSC Amendment Proposal CAP075: Arrangements for replacing Resigning Panel Members and Alternates**

EDF Energy are pleased to provide the following response to the consultation on CUSC Amendment Proposal CAP075.

We agree with the initial view of National Grid that the Working Group Alternative will better facilitate achievement of the Applicable CUSC Objectives. The Working Group Alternative offers a clear and efficient process for the handling of Panel Member and Panel Alternate resignations which we believe will facilitate the achievement by National Grid of its CUSC objective to more efficiently discharge its Transmission Licence and Electricity Act obligations.

We hope that you will find these comments helpful. If you have any queries please do not hesitate to contact me.

Yours sincerely

Rupert Judson  
Transmission Infrastructure  
& Development Manager

|                  |                |
|------------------|----------------|
| <b>Reference</b> | CAP075-CAAR-01 |
| <b>Company</b>   | Centrica       |

The Centrica logo features the word "centrica" in a bold, blue, lowercase sans-serif font. A small orange circle is positioned above the letter 'i'.

*taking care of the essentials*

National Grid Company plc  
National Grid Transco House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 5DA

For the Attention of Richard Dunn -  
Commercial Frameworks

**Centrica Energy**

**Millstream East,  
Maidenhead Road,  
Windsor,  
Berkshire SL4 5GD**

Tel. (01753) 431051  
Fax (01753) 431150  
[www.centrica.com](http://www.centrica.com)  
Our Ref.  
Your Ref.  
823 December 2004

Dear Richard,

*RE: CUSC Amendment Proposal CAP075 – Arrangements for Replacing  
Resigning Panel Members and Alternates - Reconsultation*

Thank you for the opportunity to submit comments on the Consultation Alternative Amendment Proposal. Centrica supports this Alternative Amendment as proposed by NGC following our discussions as best overcoming the perceived defect with the current CUSC.

Should you require any further clarification of our comments, please do not hesitate to contact me.

Yours sincerely,

Simon Goldring  
Transportation Manager

|                  |                |
|------------------|----------------|
| <b>Reference</b> | CAP075-CAAR-02 |
| <b>Company</b>   | E.ON.UK        |

Richard Dunn  
Commercial Frameworks  
National Grid Company plc  
National Grid Transco House  
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CV4 8LG  
eon-uk.com

Neil Smith  
024 7642 4369

neil.c.smith@eon-uk.com

Friday 10<sup>th</sup> December 2004

Dear Richard,

**RE: CAP075 - Consultation Alternative Amendment Proposal**

Thank you for the opportunity offered to E.ON UK to consider the issues contained within the above consultation document.

We concur with both the Proposer and NGC, that the Consultation Alternative Amendment better facilitates the achievement of the Applicable CUSC Objectives. Furthermore, we agree with the comments and associated changes to the Alternative Amendment contained within paragraph 3.2 of the consultation document. In conclusion, we are firmly of the belief that of the three options available for consideration, the Consultation Alternative Amendment provides both the most efficient process and robust governance arrangements.

Yours sincerely

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

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

#### **Annex 4 – Copies of Comments received on the Draft Amendment Report**

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on 15<sup>th</sup> December, requesting comments by close of business on 22<sup>nd</sup> December).

There were no representations received on the draft Amendment Report.