

CUSC Working Group provisions

A note to the CUSC Amendments Panel meeting, 30th October 2009

At the meeting of the CUSC Amendments Panel on 25th September 2009, National Grid took an action to: *"produce an interpretation of CUSC Working Group provisions" (action 2160).*

This action arose from the Panel's review of the CAP160 processes used during the review of the Transmission Access Amendment Proposals, during which it was noted that there was confusion over the CUSC provisions, specifically regarding timing of Working Group consultations and the process for raising Working Group Alternative Amendments.

The CUSC provisions are set out below.

Purpose of a Working Group

The purpose of a Working Group is to assist the Amendments Panel in:

- evaluating whether an Amendment Proposal better facilitates achieving the Applicable CUSC Objectives
- evaluating whether a Working Group Alternative Amendment better facilitates the CUSC Applicable Objectives, compared to the original Amendment Proposal

Establishing a Working Group

A Working Group will be established where the Amendments Panel decides not to proceed directly to Company consultation and may evaluate more than one Amendment Proposal at the same time. The Amendments Panel may identify and action an existing Standing Group to carry out the role of a Working Group.

Working Group Composition

A Working Group must have at least 5 members, who:

- may be Panel Members
- are nominated by CUSC Parties based on their expertise related to the Amendment Proposal subject
- are selected by the Amendments Panel from the nominations made by CUSC Parties
- must include at least one member representing National Grid
- may include an invitee from the STC committee, where the Panel considers the Amendment Proposal may have an impact on the STC
- may include an Authority representative as an observer who may speak at Working Group meetings

The Working Group chairman is appointed by National Grid, in consultation with the Amendments Panel. The chairman must act impartially and as an independent chairman and may add or vary members of a Working Group.

The Amendments Panel may also add further members to a Working Group. In addition, it may replace members who were appointed by the CUSC party nomination route if those members are unwilling or unable to fulfil their role as a Working Group member or deliberately and persistently disrupt or frustrate the Working Group's work.

Working Group Terms of Reference

Working Group Terms of Reference are determined by the Amendments Panel who may change them from time to time as it sees fit. The Terms of Reference must cover:

- Any area of a Working Group's activities or powers that require prior approval of the Amendments Panel
- Where the Working Group will seek clarification, instruction or guidance from the Amendments Panel
- A timetable for the Working Group's work, that must fit in with the timetable already agreed by National Grid and the Amendments Panel
- The length of any Working Group Consultation
- What would be considered a "significant amount of work" in terms of any element of the Working Group's remit

Before the Working Group embarks on anything that would require a "significant amount of work", it must first consult the Amendments Panel, who in turn may consult the Authority before giving a view as to whether the Working Group should proceed.

Working Group working procedures

Each Working Group should develop its own working procedures and provide a copy to the Panel Secretary for each Amendment Proposal it is considering.

Unless the Amendments Panel decides otherwise, Working Group meetings are open to attendance by representatives of CUSC and BSC Parties and the National Consumer Council; anyone invited by the Working Group chairman and anyone invited by a Working Group member. Any attendee may be invited to speak at the meeting by a Working Group chairman or a Working Group member.

Working Group Alternative Amendments

During the development of an Amendment Proposal by a Working Group alternative amendments to the original Amendment Proposal will be considered and may be developed. These Working Group Alternative Amendments (WGAAAs) may be as a result of the consultation conducted by the Working Group or otherwise. An alternative amendments will only proceed as a WGAA if it is believed by the majority of the members of the Working Group to be by the chairman of the Working Group that the alternative amendment better facilitates the Applicable CUSC Objectives than the original Amendment Proposal or the current version of the CUSC. The standard Working Group terms of reference direct that there is an obligation on the Working Group Members to propose the minimum number of WGAAAs where possible.

Working Group Consultations

Once the Working Group has developed the Amendment Proposal and any WGAA, it will consult on them with CUSC Parties and anyone else who might have an appropriate

interest. The length of the WG Consultation will already have been established in the terms of reference.

The Working Group Consultation paper must include:

- Issues raised in the Working Group discussions
- Details of any draft Working Group Alternative Amendment
- National Grid's proposed date of implementation for the Amendment Proposal and any draft WGAA.

The Working Group must consider any responses to the Working Group Consultation, including any requests for WG Consultation Amendment Requests. A Standing Group will be allowed to respond to a Working Group Consultation as a body only if it is being used as a Working Group to consider the Amendment Proposal and its terms of reference have been amended to include the ability to comment on the proposal.

Working Group Consultation Alternative Request

Once the Working Group Consultation paper has been issued, any CUSC Party may raise a Working Group Consultation Alternative Request. The Request must include:

- The same information required for a standard Amendment Proposal
- "Sufficient detail to enable consideration of the request" including how the request better facilitates the Applicable CUSC Objectives than the CUSC baseline, the original Amendment Proposal and any draft WGAA

A WG Consultation Amendment Request will be developed by the Working Group as a WGAA where either a majority of the Working Group members or the Working Group chairman believe it will facilitate the Applicable CUSC Objectives better than the CUSC baseline. Alternatively, the request could be amalgamated with one or more other draft WGAA's or WG Consultation Amendment Requests.

WGAA Consultations

Where a Working Group Alternative Amendment has been developed, as long as the original Amendment Proposal has been subject to a Working Group Consultation, then no further WG Consultations are required for any WGAA's.

This is unless the Working Group chairman requests the Amendments Panel to direct the WG to undertake a further WG Consultation. If this happens, the Panel must change the timetable for the Working Group, subject to the Authority not objecting. If a second Working Group consultation does occur, no further WG Consultation Amendment Requests can be raised.

Working Group Report

The Working Group Report is prepared by the Working Group chairman for the Amendments Panel. It covers the matters in the terms of reference; any finalised Working Group Alternative Amendments and the views of all members of the Working Group.

The Report is prepared in line with the timetable in the terms of reference and must be circulated as a draft to Working Group members for comment for at least 5 business days (or 3 business days if all members agree).

Once the Report is delivered, either the Working Group chairman or another WG member nominated by the chairman must attend the next Amendments Panel meeting, at which they may be invited to present the report and answer any questions. Other Working Group members may also attend the same Panel meeting.

The Amendments Panel will then decide whether to refer the Amendments Proposal back to the Working Group for further analysis or send it to Company consultation.