

<b>CUSC Amendment Proposal Form</b>	<b>CAP049</b>
<b>Title of Amendment Proposal:</b> Alternative Amendments	
<b>Description of the Proposed Amendment (mandatory by proposer):</b> <p>This Amendment proposes to amend the definition of Alternative Amendments contained in the CUSC to make clear that Alternative Amendments may be developed by a Working Group as well as being put forward during industry consultation. Two new definitions will also be added to section 11 to define two new types of Alternative Amendment, namely a "Working Group Alternative Amendment" and a "Consultation Alternative Amendment". National Grid will carry out a separate consultation on any Consultation Alternative Amendments received, but further Consultation alternative amendments will not be accepted during this period. Consultation Alternative Amendments must be transparent and it will not be possible to apply the confidentiality provisions of CUSC to them. The definition of "Alternative Amendment" will be modified so that it may be used in CUSC where appropriate to mean collectively any Working Group or Consultation Amendment Proposal.</p>	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</b> <p>Following consideration of a number of CUSC Amendment Proposals to date, it has become apparent that the definition of "Alternative Amendments" (as currently set out in Paragraph 8.20.2 (e) of the CUSC) is incorrect as it implies that an Alternative Amendment may only be developed during the consultation stage and not raised or developed by a Working Group. However, Paragraph 8.17.1 of the CUSC indicates that the key role of a working Group is to assist the Panel in "evaluating whether an Amendment Proposal better facilitates achieving the Applicable CUSC Objectives and whether an Alternative Amendment would, as compared with the Amendment Proposal, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified in the Amendment Proposal." The Governance Standing Group recommended that the CUSC should be clarified to make it clear that Working Groups should be free to develop Alternative Amendments and the CUSC Amendments Panel agreed with this recommendation.</p> <p>In addition, at present there is no provision for Alternative Amendments that are put forward by individual CUSC Parties at the end of the consultation period to be seen and commented on by CUSC Parties before the Amendment Report stage. This Amendment Proposal will enable CUSC Parties to consider such Consultation Alternative Amendments. The proposal also confines the number of Consultation Amendment Proposals that CUSC Parties can put forward to the first consultation phase so that the process is not prolonged indefinitely. In the interests of transparency, the proposal will also not permit Consultation Alternative Amendments to be subject to the confidentiality provisions within CUSC.</p>	
<b>Impact on the CUSC (this should be given where possible):</b> <p>Paragraph 8.20.2 (e) of the CUSC would require amendment to give effect to the change proposed. Two new definitions would also be required in section 11 and amendment of one existing definition. Consequential changes to sections 8.17, 8.19 and 8.23 will be needed to reflect the newly defined terms.            The draft text to give effect to this proposal is contained in Annex 1.</p>	
<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):

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.

Amendment of the definition of "Alternative Amendment" would improve clarity and remove uncertainty from the CUSC documentation and hence enable National Grid to more easily and efficiently discharge it's obligations under the Act and the Transmission Licence and fulfil it's obligations to facilitate competition in the generation and supply of electricity. In addition there would be greater transparency and scope for the industry to comment on alternative amendments submitted during the consultation phase.

<b>Details of Proposer:</b> Organisation's Name:	The National Grid Company plc
<b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Andy Balkwill The National Grid Company plc 024 7642 3198 <a href="mailto:andy.balkwill@uk.ngrid.com">andy.balkwill@uk.ngrid.com</a>
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Richard Dunn The National Grid Company plc 024 7642 3652 <a href="mailto:richard.dunn@uk.ngrid.com">richard.dunn@uk.ngrid.com</a>
<b>Attachments (Yes/No):</b>	Yes
<b>If Yes, Title and No. of pages of each Attachment:</b>	Attachment 1 – Draft Text to give effect to proposal. six Pages.

**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

Amendment Proposal CAP###

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

Or via e-mail to: [CUSC.Team@uk.ngrid.com](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.

## Attachment 1

### Draft Text to give effect to the Amendment Proposal

Please note that the following draft text is indicative only and does not represent an exhaustive list of the changes that may be required to the CUSC.

#### 8.17. WORKING GROUPS

**8.17.1** If the **Amendments Panel** has decided not to proceed directly to wider consultation by **NGC**, a **Working Group** will be established, or an existing **Standing Group** identified and actioned, by the **Amendments Panel** to assist the **Amendments Panel** in evaluating whether an **Amendment Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether a **Working Group Alternative Amendment** would, as compared with the **Amendment Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **Amendment Proposal**. Where a **Standing Group** is identified and actioned in relation to an **Amendment Proposal**, a reference to **Working Group** in this Section 8 shall, in relation to that **Amendment Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity. Unless specifically appointed pursuant to this Paragraph or permitted pursuant to Paragraph 8.19, a **Standing Group** shall not comment upon any **Amendment Proposal**.

**8.17.8** The terms of reference of a **Working Group** must include provision in respect of the following matters:

- (a) those areas of a **Working Group's** powers or activities which require the prior approval of the **Amendments Panel**;
- (b) the seeking of instructions, clarification or guidance from the **Amendments Panel**; and
- (c) (the timetable for the work to be done by the **Working Group**, in accordance with the timetable established pursuant to Paragraph 8.16.4.

In addition, prior to the taking of any steps which would result in the undertaking of a significant amount of work (including the production of draft legal text to modify the **CUSC** in order to give effect to a **Proposed Amendment** and/or **Working Group Alternative Amendment**, with the relevant terms of reference setting out what a significant amount of work would be in any given case), the **Working Group** shall seek the views of the **Amendment Panel** as to whether to proceed with such steps and, in giving its views, the **Amendment Panel** may consult the **Authority** in respect thereof.

**8.17.9** Subject to the provisions of this Paragraph 8.17.9 and unless otherwise determined by the **Amendments Panel**, the **Working Group** shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the **Panel Secretary** in respect of each **Amendment Proposal** and **Working**

**Group Alternative Amendment** for which it is responsible. Unless the **Amendments Panel** otherwise determines, meetings of each **Working Group** shall be open to attendance by a representative of any **CUSC Party**, any **BSC Party** or the **GECC** and any person invited by the chairman or any other member of that **Working Group**, and the chairman of a **Working Group** or any other member of that **Working Group** may invite any such person to speak at such meetings.

8.17.12 At the meeting referred to in Paragraph 8.17.11 the **Amendments Panel** shall consider the **Working Group's** report and shall determine whether to:-

- (a) refer the **Amendments Proposal** and/or **Working Group Alternative Amendment** back to the **Working Group** for further analysis (in which case the **Amendments Panel** shall determine the timetable and terms of reference to apply in relation to such further analysis); or
- (b) proceed then to wider consultation by **NGC**.

## 8.19 CONSULTATION

8.19.1 After consideration of any **Working Group** report on the **Amendment Proposal** and/or any Working Group Alternative Amendment by the **Amendments Panel** and a determination by the **Amendments Panel** to proceed to wider consultation by **NGC**, **NGC** shall consult on the **Amendment Proposal** and/or any Working Group Alternative Amendment with:

- (i) **CUSC Parties**; and
- (ii) such other persons who may properly be considered to have an appropriate interest in it.

Where following the establishment of a **Working Group**, or the decision of the **Amendments Panel** to proceed directly to consultation by **NGC**, in relation to an **Amendment Proposal**, the terms of reference of a **Standing Group** have been amended by the **Amendments Panel** to include the ability to comment on that **Amendment Proposal** or any Working Group Alternative Amendment, that **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to **NGC's** consultation. It shall not, however, in so doing undertake the functions of a **Working Group**. In the absence of such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.

8.19.2 The consultation will be undertaken by issuing a Consultation Paper (and its provision in electronic form on the **NGC Website** and in electronic mails to **CUSC Parties** and such other persons, who have supplied relevant details, shall meet this requirement).

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

way forward.

**8.19.4** Where **NGC** is proposing to recommend to the **Authority** that a **Proposed Amendment** or **Working Group Alternative Amendment** should not be made, **NGC** shall consult with the **Authority** as to whether the **Authority** would like the **Amendment Report** to include the proposed text to amend the **CUSC**. If it does not, no text needs to be included. **If it does, and no detailed text has yet been prepared**, **NGC** shall prepare such text to modify the **CUSC** in order to give effect to such **Proposed Amendment** or **Working Group Alternative Amendment** and shall seek the views of the relevant **Working Group** on this text.

**8.19.5** Consultation Papers will be copied to **Core Industry Document Owners**.

**8.19.6** **If a CUSC Party proposes a Consultation Alternative Amendment NGC shall as soon as practicable consult on the basis of Paragraph 8.19.1 with the parties identified in Paragraph 8.19.1 as to whether this Consultation Alternative Amendment better facilitates achievement of the CUSC Objectives than the Proposed Amendment and any Working Group Alternative Amendment. The position on legal drafting of the text shall be the same as that set out in Paragraphs 8.19.3 and 8.19.4. A CUSC Party may not propose a Consultation Alternative Amendment following the start of the further period of consultation described in this Paragraph 8.19.6. A Consultation Alternative Amendment shall not be subject to the confidentiality provisions described in Paragraph 8.22.1.**

## **8.20 AMENDMENT REPORT**

**8.20.1** Subject to **NGC's** consultation having been completed, **NGC** shall prepare and submit to the **Authority** a report (the "**Amendment Report**") in accordance with this Paragraph 8.20 for each **Amendments Proposal** which is not withdrawn.

**8.20.2** The matters to be included in an **Amendment Report** shall be the following (in respect of the **Amendment Proposal**):

- (a) the **Proposed Amendment**;
- (b) the recommendation of **NGC** as to whether or not the **Proposed Amendment** **or any Working Group Alternative Amendment** (or any **Consultation** Alternative Amendment as provided below) should be made;
- (c) a summary (agreed by the **Amendments Panel**) of the views (including any recommendations) from **Panel Members** and/or the **Working Group** as the case may be made during the consultations in respect of the **Proposed Amendment** and of any **Alternative Amendment**;
- (d) an analysis of whether (and, if so, to what extent) the **Proposed Amendment** would better facilitate achievement of the Applicable **CUSC Objective(s)**;
- (e) an analysis of whether (and, if so, to what extent) the Working Group Alternative Amendment would better facilitate achievement of the Applicable CUSC Objective(s) as compared with the Proposed Amendment and any Consultation**

**Alternative Amendment:**

~~(f)(e)~~ a full description and analysis of whether (and if so to what extent) any **Consultation Alternative Proposed Amendment** developed during the consultation ("**Alternative Amendment**") which as compared with the **Proposed Amendment** and any **Working Group Alternative Amendment**, ~~may~~ would better facilitate achievement of the **Applicable CUSC Objective(s)** and ~~the views and rationale in respect thereof;~~

~~(h)(g)~~ the proposed date for the implementation of the **Proposed Amendment** or any Alternative Amendment;

~~(g)(h)~~ an assessment of:

- (i) the impact of the **Proposed Amendment** and any **Working Group Alternative Amendment** or **Consultation Alternative Amendment** on the **Core Industry Documents**;
- (ii) the changes which would be required to the **Core Industry Documents** in order to give effect to the **Proposed Amendment** and any **Working Group Alternative Amendment** or **Consultation Alternative Amendment**;
- (iii) the mechanism and likely timescale for the making of the changes referred to in Paragraph (ii);
- (iv) the changes and/or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the **Core Industry Documents**;
- (v) the mechanism and likely timescale for the making of the changes referred to in Paragraph (iv);
- (vi) an estimate of the costs associated with making and delivering the changes referred to in Paragraphs (ii) and (iv), such costs are expected to relate to: for (ii) the costs of amending the **Core Industry Document(s)** and for (iv) the costs of changes to computer systems and possibly processes which are established for the operation of the **Core Industry Documents**.

together with a summary of representations in relation to such matters;

~~(h)(i)~~ to the extent such information is available to **NGC**, an assessment of the impact of the **Proposed Amendment** and any **Working Group Alternative Amendment** or **Consultation Alternative Amendment** on **CUSC Parties** in general (or classes of **CUSC Parties** in general), including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the **CUSC** and to **Core Industry Documents**;

~~(h)(i)~~ copies of (and a summary of) all written representations or objections made by consultees during the consultations in respect

of the **Proposed Amendment** and any **Working Group Alternative Amendment** **or** **Consultation Alternative Amendment** and subsequently maintained;

(j)(k) a copy of any impact assessment prepared by **Core Industry Document Owners** and the views and comments of **NGC** in respect thereof.

**8.20.3** A draft of the **Amendment Report** will be circulated by **NGC** to **CUSC Parties** and **Panel Members** (and its provision in electronic form on the **NGC Website** and in electronic mails to **CUSC Parties** and **Panel Members**, who must supply relevant details, shall meet this requirement) and a period of no less than five (5) **Business Days** given for comments to be made thereon. Any unresolved comments made shall be reflected in the final **Amendment Report**.

**8.20.4** Each **Amendment Report** shall be addressed and furnished to the **Authority** and none of the facts, opinions or statements contained in such **Amendment Report** may be relied upon by any other person.

**8.20.5** In accordance with the **Transmission Licence**, the **Authority** may approve the **Proposed Amendment** or a **Working Group Alternative Amendment** **or** a **Consultation Alternative Amendment** contained in the **Amendment Report** (which shall then be an "**Approved Amendment**" until implemented). If the **Authority** believes that the **Proposed Amendment** (**or a Working Group Alternative Amendment** **or** a **Consultation Alternative Amendment**, if any) would not better facilitate achievement of the **Applicable CUSC Objectives**, then there will be no approval. In such a case, **NGC** will notify **CUSC Parties** and will raise the issue at the next **Amendments Panel** meeting.

**8.20.6** **NGC** shall copy (by electronic mail to those persons who have supplied relevant details to **NGC**) the **Amendment Report** to:

- (i) each **CUSC Party**;
  - (ii) each **Panel Member**; and
  - (iii) any person who may request a copy,
- and shall place a copy on the **NGC Website**.

## **8.23 IMPLEMENTATION**

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



## SECTION 11 - INTERPRETATION AND DEFINITIONS

**" Alternative Amendment"**

As defined in Paragraph 8.20.2 means collectively any Working Group Alternative Amendment or Consultation Amendment.

**"Working Group Alternative Amendment"**

an alternative amendment to the Amendment Proposal developed by the Working Group under its terms of reference and which the Working Group as a whole believes better facilitates the Applicable CUSC Objectives than the Amendment Proposal.

**"Consultation Alternative Amendment"**

any alternative expressly proposed as such (and in sufficient detail to enable consideration) by a CUSC Party in response to NGC's consultation on any Amendment Proposal or Working Group Alternative Amendment which the CUSC Party believes better facilitates the Applicable CUSC Objectives than the Amendment Proposal or Working Group Alternative