



**National Grid**

## **AMENDMENT REPORT**

### **CUSC Proposed Amendment CAP022**

#### **Urgent Amendment Proposals – Review Process**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP022*

Amendment Ref	CAP022
Issue	1.0
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Prepared by	National Grid

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

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1.0	4/10/02	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 CAP022 proposes to provide a transparent mechanism for implemented Urgent Amendment Proposals to be 'reviewed' as required by Paragraph 8.21.8 of the CUSC. It is proposed that the mechanism by which such reviews should be undertaken is by the establishment of a separate process within the CUSC to allow for 'Urgent Review Groups' to be established by the Amendments Panel.
- 1.2 Amendment Proposal CAP022 was proposed by National Grid and was submitted for consideration to the CUSC Amendments Panel Meeting on 26<sup>th</sup> July 2002. At the meeting, the Panel determined that National Grid should initiate a period of wider industry consultation on the issues raised by CAP022.
- 1.3 The Consultation Paper for CAP022 was published by National Grid on the CUSC website and copies sent to Core Industry Document Owners and CUSC Parties. Responses were invited to be made by 5<sup>th</sup> September 2002.
- 1.4 National Grid received a total of 7 responses to the first consultation for CAP022, the majority of which supported the principle of the Proposed Amendment and a number of respondents proposed Alternative Amendments. Following analysis of the responses and Alternative Amendments proposed, it was determined that a further period of consultation should take place in order to invite views from the industry on the Alternative Amendments proposed. The Supplementary CAP022 Consultation received 6 responses. A summary of responses is contained in Section 11 of this document, with full copies of each response contained in Annex 3 and 4.

### **National Grid Recommendation**

- 1.5 National Grid recommends that CAP022 Proposed Amendment be approved for implementation.
- 1.6 It is recommended that the CUSC be modified in line with the Proposed Amendment (legal text is set out in Annex 2 Part (i) to this report) 10 days after 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 the procedure for 'reviewing' implemented Urgent Amendment Proposals.
- 2.2 Further to the submission of Amendment Proposal CAP022 (see Annex 1) and the subsequent wider industry consultations 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 CAP022.
- 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 both

the initial and the further CAP022 Consultations have been also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to both consultations are included in Annex 3 and 4 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**

#### **Background**

- 3.1 At the CUSC Amendments Panel meeting in March 2002, the Panel established the Governance Standing Group (GSG) to consider a number of areas of the CUSC in which the current process was unclear. One of the areas for consideration by the GSG was the Urgent Amendment Process and the current lack of clarity on the process for reviewing an implemented Urgent Amendment Proposal to determine whether any Alternative Amendment may better facilitate achievement of the Applicable CUSC Objectives.
- 3.2 National Grid prepared a paper for the GSG in which it was suggested that the Amendments Panel be required to establish a separate group, an "Urgent Review Group" to undertake reviews of implemented Urgent Amendment Proposals. GSG members agreed with the suggestions in the paper and suggested minor adjustment to the draft text provided. Subsequently a draft Amendment Proposal form was circulated to GSG members for comment.
- 3.3 Following GSG approval of the intended way forward to deal with reviewing implemented Urgent Amendment Proposals, CAP022 was proposed by National Grid to the July CUSC Amendments Panel meeting.
- 3.4 Further information on the GSG, including membership, terms of reference, notes of meetings and the GSG Report to the Amendments Panel, is available on the National Grid CUSC website via the link below:

[http://www.nationalgridinfo.co.uk/cusc/mn\\_working\\_group.html](http://www.nationalgridinfo.co.uk/cusc/mn_working_group.html)

#### **The Proposed Amendment**

- 3.5 CAP022 proposes that the Amendments Panel establish a separate group, a "Review of Urgent Amendment Group" to carry out the review of implemented Urgent Amendment Proposals as required by Paragraph 8.21.8 of the CUSC.
- 3.6 The current CUSC is unclear as to how the review of an implemented Urgent Amendment Proposal is initiated. Paragraph 8.21.8 of the CUSC states that where an amendment to the CUSC is made in respect of an Urgent Amendment Proposal, the Amendments Panel shall initiate the Amendment Procedures to consider whether any Alternative Amendment could better facilitate achievement of the Applicable CUSC Objectives. The CUSC then intends that the Amendment Procedures can be initiated by submission of an Amendment Proposal in accordance with Paragraph 8.15.1, which provides that an Amendment Proposal may be submitted by the Amendments Panel under Paragraph 8.15.8 (on implementation of an Urgent Amendment). However this route is not appropriate or practicable for the initiation of 'review' of an implemented Urgent Amendment. The reason for this is that a

valid Amendment Proposal is required to contain a description of the issue or defect to be addressed and other information relating to the intended way of addressing the defect with reference to the Applicable CUSC Objectives. Since the implemented Urgent Amendment has already solved the defect, it is unclear how the Panel could work up an alternative solution and be able to submit an Amendment Proposal.

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

- 4.1 CAP022 Proposed Amendment and Alternative Amendments do not have a material impact outside the scope of the CUSC, or on any other part of the CUSC. It is therefore proposed that implementation takes place with effect from 10 days after the Authority's decision.

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

- 5.1 The Proposed Amendment would require modification of Paragraphs 8.15.1 and 8.21.8 of the CUSC and the insertion of new Paragraphs 8.21.9 to 8.21.15. A new defined term for 'Review of Urgent Amendment Group' is also required to be included in Section 11 - Definitions. There is no impact on any other part of the CUSC.
- 5.2 The text required to give effect to the Proposed Amendment is contained as Part B of Annex 2 to this document.

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

- 6.1 The Proposed Amendment to establish a separate and standard procedure for the review of implemented Urgent Amendment Proposals would improve efficiency and transparency in the CUSC. The current CUSC is unclear on how such reviews are initiated and taken forward to consider any alternative solutions. Amendment of the process in line with the Proposed Amendment would enable National Grid to more efficiently discharge its obligations under the Transmission Licence.

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

- 7.1 No impact has been identified on CUSC Parties from the Proposed Amendment or Alternative Amendments.

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

##### **Proposed Amendment**

- 8.1 Neither the Proposed Amendment nor any of the Alternative Amendments have any impact on Core Industry Documents or other industry documentation.

## 9.0 ALTERNATIVE AMENDMENTS

### **Alternative Amendment (A) – Proposed by British Energy plc**

- 9.1 Alternative Amendment (A) was proposed by British Energy in their response to the initial CAP022 consultation. It proposes that the Amendments Panel should designate a specific Standing Group as the group to perform any review of implemented Urgent Amendment Proposals.

#### **Assessment against Applicable CUSC Objectives**

- 9.2 The Proposer argues that Alternative Amendment (A) better facilitates achievement of the Applicable CUSC Objectives over the Proposed Amendment as it is an improved and a more fit for purpose solution.

#### **Impact on CUSC**

- 9.3 Alternative Amendment (A) would require modification of Paragraph 8.21.8 of the CUSC. There is no impact on any other part of the CUSC.
- 9.4 The text required to give effect to the Alternative Amendment (A) is contained as Part (ii) of Annex 2 to this document.

### **Alternative Amendment (B) – Proposed by British Energy plc**

- 9.5 Alternative Amendment (B) was proposed by British Energy in their response to the initial CAP022 consultation. It proposes to amend Paragraph 8.23.5 of the CUSC to introduce a similar post-implementation review as is proposed to be carried out for implemented Urgent Amendment Proposals.
- 9.6 Paragraph 8.23.5 provides that the Amendments Panel may initiate the amendment procedures to consider whether any Alternative Amendment could better facilitate the Applicable CUSC Objectives in respect of an amendment to the CUSC made in accordance with the Transmission Licence, but other than in accordance with the Amendment Procedures detailed in Section 8 of the CUSC.
- 9.7 During the Supplementary Consultation for CAP022 the Proposer of Alternative Amendment (B) called on National Grid to give assurance that an Amendment Proposal would be raised to address the issue highlighted by Alternative Amendment (B), in which case it would be withdrawn. National Grid has given such assurance and hence Alternative Amendment (B) is treated as having been withdrawn.

### **Alternative Amendment (C) – Proposed by British Energy plc**

- 9.8 Alternative Amendment (C) proposed the additional correction of two possible referencing errors in Paragraph 8.21.5 of CUSC. It has been agreed with the Proposer that this issue be taken forward in a future “housekeeping” amendment proposal. Alternative Amendment (C) is treated as withdrawn.

**Alternative Amendment (D) – Proposed by British Gas Trading Ltd**

- 9.9 Alternative Amendment (D) was proposed by British Gas Trading in their response to the original CAP022 consultation. It proposes to make it explicit that if there is an existing Working Group or Standing Group already established to consider issues in an associated area to the implemented Urgent Amendment, then the Amendments Panel may utilise the group for the review of the implemented Urgent Amendment by modifying their terms of reference.
- 9.10 Alternative Amendment (D) also proposes to require National Grid (if no other CUSC Party does so) to propose a suitable Amendment Proposal in line with any recommendation of an alternative solution from the review group in their report to the Amendments Panel.

**Assessment against the Applicable CUSC Objectives**

- 9.11 The Proposer believes that there could be issues of 'ownership' if the responsibility remains with the Amendments Panel, as is currently required by CUSC to propose an Amendment Proposal in line with the recommendation from the review group. Alternative Amendment (D) proposes to make an explicit identification of responsibility for the submission of such a suitable Amendment Proposal.

**Impact on CUSC**

- 9.12 Alternative Amendment (D) would require modification of Paragraphs 8.15.1 and 8.21.8 of the CUSC and the insertion of new Paragraphs 8.21.9 and 8.21.10. There is no impact on any other part of the CUSC.
- 9.13 The text required to give effect to the Alternative Amendment (D) is contained as Part (iii) of Annex 2 to this document.

**Alternative Amendment (E) – Proposed by British Energy plc**

- 9.14 Alternative Amendment (E) was proposed by British Energy in their response to the supplementary CAP022 Consultation. Alternative Amendment (E) proposes that on implementation of an Urgent Amendment the Amendments Panel shall raise an Amendment Proposal and establish a Working Group to consider their proposal.

**Assessment against the Applicable CUSC Objectives**

- 9.15 The Proposer of Alternative Amendment (E) notes that a Working Group may only be established to consider an Amendment Proposal. It is argued that if the Amendments Panel raise an Amendment Proposal following the implementation of an Urgent Amendment, this would provide a suitable hook to enable a Working Group to be established.

**Impact on CUSC**

- 9.16 Alternative Amendment (E) would require modification of Paragraph 8.21.8 of the CUSC
- 9.17 The text required to give effect to the Alternative Amendment (E) is contained as Part (vi) of Annex 2 to this document.

## 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 the Proposed Amendment.

### Views of Panel Members (See Section 11)

#### View of Core Industry Document Owners & Owners of other Industry documents

10.2 No responses have been received from Core Industry Document Owners noting any impact of CAP022 on Core Industry Documents.

10.3 Response to the CAP022 Consultation was received from Elexon Limited as owner of the BSC, confirming CAP022 does not impact on the BSC.

### Responses to initial CAP022 Consultation

10.4 The following table provides an overview of the representations received to the first consultation for CAP022. Copies of the representations are attached at Annex 3.

Reference	Company	Supportive	Comments
CAP022-CR-01	Powergen plc	Yes	Creates a more efficient and transparent process
CAP022-CR-02	British Gas Trading Limited	?	Support principle of Proposed Amendment & propose Alternative Amendment
CAP022-CR-03	TXU Europe Energy Trading Ltd	Yes	Support Proposed Amendment
CAP022-CR-04	Elexon Limited	N/A	Statement from Elexon as owner of the BSC does not indicate support or opposition
CAP022-CR-05	London Electricity Group	Yes	Support principle of Proposed Amendment & proposed changing the name of review group (this has been carried out as a modification of the text for the Proposed Amendment)
CAP022-CR-06	British Energy plc	No	Propose Alternative Amendments
CAP022-CR-07	Scottish Power Generation Limited & Scottish Power Energy Retail Limited	Yes	Support Proposed Amendment & note that Alternative text should be presented to give effect to CAP022 Proposed Amendment in the event of approval of CAP021 Alternative Amendment (this has been included as Part G of Annex 2 of this document)

10.5 National Grid received 7 responses to the original industry consultation on CUSC Amendment Proposal CAP022. All respondents supported the principle behind the Proposed Amendment and agreed that the current wording of the CUSC was deficient and unclear as to how the review of implemented Urgent Amendment Proposals should be undertaken. A

number of respondents proposed Alternative Amendments which they felt would better facilitate achievement of the Applicable CUSC Objectives.

- 10.6 Response references CAP022-CR-01, CAP022-CR-03 and CAP022-CR-07 supported the Proposed Amendment and two specifically supported the proposed way forward for a separate group to carry out reviews and noted that it would lead to a more efficient and transparent process if a standard course of action for the review of implemented Urgent Amendments was set out clearly within the CUSC.
- 10.7 A number of respondents pointed out minor errors in the legal drafting for the Proposed Amendment, which National Grid have taken on board and the drafting has been amended accordingly. The drafting was also amended to take account of one respondents views (reference CAP022-CR-05) who felt that the title of the review group should be modified to better reflect it's task of reviewing an implemented Urgent Amendment Proposal. Accordingly the term has been changed from "Urgent Review Group" to "Review of Urgent Amendment Group".
- 10.8 One respondent (response reference CAP022-CR-06) felt that the review of implemented Urgent Amendment Proposals should in loop back into the Amendment process and proposed Alternative Amendment (A) for the Amendments Panel to establish a specific Standing Group to undertake reviews. The same respondent also proposed a number of other Alternative Amendments, of which 2 were subsequently withdrawn.
- 10.9 Another respondent (reference CAP022-CR-02) proposed Alternative Amendment (D) to allow the Amendments Panel to utilise existing Standing or Working Groups who are already considering issues in an associated area, by the modification of their terms of reference.

### Responses to Supplementary CAP022 Consultation

- 10.10 The following table provides an overview of the representations received to the CAP022 Supplementary Consultation. Copies of the representations are attached at Annex 4.

Reference	Company	Supportive	Comments
CAP022-CR2-01	TXU Europe Energy Trading Ltd	Yes	Continuing support of Proposed Amendment (with revised drafting)
CAP022-CR2-02	British Gas Trading Ltd		Support Alternative Amendment (D)
CAP022-CR2-03	Scottish Power Generation Limited & Scottish Power Energy Retail Limited	Yes	Continuing support of Proposed Amendment (with revised drafting)
CAP022-CR2-04	Elexon Limited	N/A	Statement from Elexon as owner of the BSC does not indicate support or opposition
CAP022-CR2-05	British Energy plc	No	Propose further Alternative Amendment
CAP022-CR2-06	London Electricity Group plc		Sympathetic to first part of Alternative Amendment (D)

- 10.11 National Grid received 6 responses to the supplementary consultation on CUSC Amendment Proposal CAP022.

- 10.12 Two respondents (references CAP022-CR2-01 and CAP022-CR2-03) reiterated support for the Proposed Amendment. The former of these respondents also supported the revised drafting of the Proposed Amendment but the latter felt that the change in title of the review group was proposed during the first consultation was awkwardly worded and preferred the original title.
- 10.13 Regarding response reference CAP022-CR2-05, the respondent made a number of points relating to their Alternative Amendment (A) and the preferred use of a Standing Group to perform reviews. Another respondent (reference CAP022-CR2-02) supported the principle of Alternative Amendment (A) and felt that the National Grid role of Standing Groups was too narrow, but felt that such an alternative could not be supported as one set of Standing Group members may not be appropriate for all occasions.
- 10.14 One respondent (CAP022-CR2-05) also proposed a further Alternative Amendment (E) to loop the review of implemented Urgent Amendment Proposals back into the amendment process via the establishment of a Working Group. National Grid agree with the Proposer of Alternative Amendment (E) that a Working Group may only function as a Group if it has an Amendment Proposal to consider, but do not believe that it is a workable solution to the issue. Alternative Amendment (E) proposes that on implementation of an Urgent Amendment, the Amendments Panel could raise an Amendment Proposal and hence loop back into the process to enable a Working Group to carry out the review. National Grid's view is that in such cases the Amendments Panel would be unable to submit a valid Amendment Proposal, as the requirements of Paragraph 8.15.2 cannot be met. This is because the implemented Urgent Amendment would have already 'solved' the defect identified. In addition to this, without a review of the implemented Urgent Amendment (and recommendation for any alternative from a 'review group') it is unclear how the Panel would be able to work up a suitable Amendment Proposal to meet the requirements of 8.15.2
- 10.15 One respondent (CAP022-CR2-06) was supportive of the first part of Alternative Amendment (D), where an existing group already considering similar issues could consider the review of an Urgent Amendment Proposal. However, the respondent noted their view that with the original Proposed Amendment, an amended version of the original, and four Alternative Amendments at least one of which containing more than one specific issue, it was difficult to trace a preferred route.

## **11.0 SUMMARY OF PANEL MEMBERS VIEWS**

- 11.1 Of those Panel members who expressed a view during the consultations for CAP022, all responses were in support of the Proposed Amendment. One Panel member specifically felt that the Proposed Amendment would improve efficiency by defining a procedure where one does not currently exist and continued to support the Proposed Amendment with revised drafting as contained in the supplementary CAP022 consultation.

## 12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid notes the views of respondents who prefer the review of implemented Urgent Amendment Proposals to be undertaken via a Working Group or Standing Group. National Grid agree that where an appropriate Group (considering an associated issue) is already in existence, then this is a pragmatic solution and the CUSC does not preclude the Amendments Panel from amending the terms of reference of such a group to enable them to undertake such a review in addition to their existing brief. However there are problems with this approach which were identified during the Governance Standing Group's consideration of the issues and subsequently reiterated in the supplementary consultation. These difficulties are as follows; for a Working Group to be established it must have an Amendment Proposal to consider and this implies that a defect in the CUSC has been identified and a proposed solution put forward. However if an Urgent Amendment Proposal has been implemented then this suggests that the defect identified by the Urgent Amendment Proposal has been remedied by its very implementation. Thus no defect has been identified, no Amendment Proposal is "on the table" and so a Working Group may not be established. If a Working Group did not require an Amendment Proposal then it would be considering an issue and would be acting as a Standing Group – this is not provided for under the CUSC. There may be circumstances where a Working Group has been established to examine an Amendment Proposal dealing with an issue related to the subject of an Urgent Amendment. Such an Amendment Proposal may, for instance, have been submitted during consideration of the Urgent Amendment because a further defect in the CUSC had been identified that could not be considered with the Urgent Amendment. In such circumstances it may be appropriate for the CUSC Panel to extend the terms of reference of that Working Group to address the review of the original Urgent Amendment Proposal. This is effectively what happened in relation to CAP001, the Balancing Service Standing Group was acting as a Working Group assessing CAP009 and the Panel extended its terms of reference to undertake the review of CAP001. Therefore National Grid believes that the Proposed Amendment CAP022 provides a clear route for the review of an implemented Urgent Amendment Proposal that can be used when there is no suitable Working or Standing Group in existence.
- 12.3 National Grid note that a number of responses to both CAP022 consultations felt that the Proposed Amendment (as supported by National Grid) was too cumbersome a solution in terms of the additional number of paragraphs required to Clause 8.21 of the CUSC. National Grid is sympathetic to such concerns. An alternative approach to drafting was considered which would have involved modifications to Sections 8.17 (Working Groups) and 8.18 (Standing Groups). This would have involved identifying where the processes set out in these sections would differ when the review of an urgent amendment was being undertaken. While the solution put forward by the Proposed Amendment is more extensive in terms of text required, National Grid believes that it is the most transparent manner of dealing with the deficiencies in the CUSC identified by CAP022. Furthermore it has the advantage of not adding complexity to the sections dealing with Working Groups and Standing Groups. The Proposed Amendment allows the process of Urgent Amendment Proposals to be dealt with as a separate process; distinct from other processes contained in Section 8. Overall National Grid believes that a separate section dealing with the process of Urgent Amendments and their review is to be preferred not least on the ground of clarity.

- 12.4 National Grid recommends that the Proposed Amendment be approved for implementation 10 days after the Authority's decision.

### **13.0 COMMENTS ON DRAFT AMENDMENT REPORT**

- 13.1 National Grid received one response containing comments on the draft Amendment Report. A copy is contained at Annex 5 to this report.
- 13.2 The respondent (CAP022-AR-01) noted that the summary of views in the supplementary consultation did not accurately reflect their view. National Grid have modified the Amendment Report accordingly. The respondent further noted their continuing support of the Proposed Amendment as enabling National Grid to more efficiently discharge its obligation under its Licence.

**ANNEX 1 – AMENDMENT PROPOSAL FORM**

<b>CUSC Amendment Proposal Form</b>	<b>CAP022</b>
<b>Title of Amendment Proposal:</b> Urgent Amendment Proposals – Review Process	
<b>Description of the Proposed Amendment (mandatory by proposer):</b> This proposal seeks to require the Amendments Panel to establish an Urgent Review Group to carry out reviews of implemented Urgent Amendment Proposals. <u>Note:</u> The principles behind this proposal have been discussed and agreed by the Governance Standing Group.	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</b> If an Urgent Amendment Proposal is approved by the Authority, Section 8 of the CUSC requires the Amendments Panel to “initiate the Amendment Procedures in order to consider whether any Alternative Amendment might better facilitate the Applicable CUSC Objectives in respect of the subject matter of that Urgent Amendment Proposal”. Currently it is unclear how the Amendments Panel should initiate the Amendment Procedures (Paragraph 8.15.1 of the CUSC refers to the Amendments Panel being able to submit an Amendment Proposal under Paragraphs 8.21.8 and 8.23.5). If the Panel were to submit an Amendment Proposal for the review of an Urgent Amendment it is unclear what would be included for the mandatory description of the issue or defect which the Proposed Amendment seeks to address, as the original Urgent Amendment Proposal will have already dealt with the issue or defect.	
<b>Impact on the CUSC (this should be given where possible):</b> Paragraph 8.21.8 of the CUSC would require amendment to give effect to the change proposed by. Section 11 of the CUSC would also require amendment to include a new defined term for “Urgent Review Group”. The draft text to give effect to this proposal is contained in Attachment 1.	
<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.	
<b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):</b> 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 Urgent Amendment review process to establish a procedure for the review of implemented Urgent Amendments would improve efficiency in the amendment procedures	

themselves as the current CUSC is unclear on initiation and process of review. Amendment of the process would enable National Grid to more efficiently discharge its obligations.

<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 76423198 andy.balkwill@uk.ngrid.com
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Emma Groves The National Grid Company plc 024 76423053 emma.groves@uk.ngrid.com
<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. One page.	

### 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 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 to Amendment Proposal Form

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

#### 8.15 AMENDMENT PROPOSALS

- 8.15.1 A proposal to modify the **CUSC** may be made by a **CUSC Party**, by the **GECC** or by a **BSC Party** or, under Paragraphs 8.21.8~~17~~ and 8.23.5, by the **Amendments Panel**.

#### 8.21 URGENT AMENDMENT PROPOSALS

- 8.21.1 If any **CUSC Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21, the **Panel Secretary** shall notify the **Panel Chairman** who shall then endeavour to obtain the views of the **Amendments Panel** as to the matters set out in Paragraph 8.21.2. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall do so.

- 8.21.2 The matters referred to in Paragraph 8.21.1 are:

- (a) whether such proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21 and
- (b) if so, the procedure and timetable to be followed in respect of such **Urgent Amendment Proposal**.

- 8.21.3 If:

- (a) the **Amendments Panel** agrees that such proposal should be treated as an **Urgent Amendment Proposal**;  
or
- (b) where the **Panel Chairman** or the **Panel Secretary** was unable to contact all **Panel Members**, the majority of **Panel Members** contacted so agree; or
- (c) where the **Panel Chairman** or the **Panel Secretary** was unable to contact any other **Panel Member**, the **Panel**

**Chairman** considers that such proposal should be treated as an **Urgent Amendment Proposal**,

the **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith consult the **Authority** as to whether such **Amendment Proposal** is an **Urgent Amendment Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

8.21.4 The **Amendments Panel** shall:

- (a) not treat any **Amendment Proposal** as an **Urgent Amendment Proposal** except with the prior consent of the **Authority**;
- (b) comply with the procedure and timetable in respect of any **Urgent Amendment Proposal** approved by the **Authority**; and
- (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.21.3.

8.21.5 For the purposes of this Paragraph 8.21.5, the procedure and timetable in respect of an **Urgent Amendment Proposal** may (with the approval of the Authority pursuant to Paragraph 8.21.3) deviate from all or part of the **Amendment Procedures** to follow any other procedure or timetable approved by the **Authority**.

8.21.6 The **Amendment Report** in respect of an **Urgent Amendment Proposal** shall include a statement as to why the **CUSC Party** believes that such **Amendment Proposal** should be treated as an **Urgent Amendment Proposal** and the extent to which the procedure followed deviated from the **Amendment Procedures** (other than the procedures in this Paragraph 8.21).

8.21.7 Each **CUSC Party** and each **Panel Member** shall take all reasonable steps to ensure that an **Urgent Amendment Proposal** is considered, evaluated and (subject to the approval of the **Authority**) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an **Urgent Amendment Proposal** may (subject to the approval of the **Authority**) result in the **CUSC** being amended on the day on which such proposal is submitted.

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall following such amendment, establish an **Urgent Review Group** in accordance with Paragraph 8.21.10. ~~initiate the **Amendment Procedures** in~~

~~order to better facilitate the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**.~~

~~8.21.9 The terms of reference of the **Urgent Review Group** will be to consider and report to the **Amendments Panel** as to whether there may be another solution that may, as compared with the implemented **Urgent Amendment Proposal**, better facilitate the **Applicable CUSC Objectives**. The **Amendments Panel** shall specify a timetable, which shall be no longer than three months) within which the **Urgent Review Group** is to report to it and may establish other requirements in relation to the intended scope of the **Urgent Review Group's** considerations.~~

~~8.21.10 An **Urgent Review Group** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **Amendments Panel** from those nominated by **CUSC Parties** for their relevant experience and/or expertise in the areas forming the subject-matter of the Review. The **Amendments Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Urgent Review Group**, provided that there shall always be at least one member representing NGC. A representative of the **Authority** may attend any meeting of an **Urgent Review Group** as an observer and may speak at such meeting.~~

~~8.21.11 **NGC** shall in consultation with the **Amendments Panel** appoint the chairman of each **Urgent Review Group** who shall act impartially and as an independent chairman.~~

~~8.21.12 The **Amendments Panel** may add further members to an **Urgent Review Group** after it is established.~~

~~8.21.13 The **Amendments Panel** may (but shall not be obliged to) replace any member of an **Urgent Review Group** appointed pursuant to Paragraph 8.22.2 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Urgent Review Group**.~~

~~8.21.14~~

~~(a) Each **Urgent Review Group** chairman shall prepare a report to the **Amendments Panel** responding to the matter detailed in the terms of reference in accordance with the time period set by the **Amendments Panel**.~~

~~(b) If an **Urgent Review Group** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Urgent Review Group**.~~

(c) The report will be circulated in draft form to **Urgent Review Group** members and a period of not less than five (5) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.

(d) The chairman or another member (nominated by the chairman) of the **Urgent Review Group** shall attend the next **Amendments Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Urgent Review Group** may also attend **such Amendments Panel** meeting.

8.21.15 If the report from the **Urgent Review Group** recommends to the **Amendments Panel** that there is an alternative to the implemented **Urgent Amendment Proposal** that could better facilitate the **Applicable CUSC Objectives**, then the **Amendments Panel** shall propose an amendment to the **CUSC** in line with Paragraph 8.15.1 of the **CUSC**.

## **SECTION 11 – INTERPRETATION AND DEFINITIONS**

“Urgent Review Group”

An Urgent Review Group established by the **Amendments Panel** pursuant to Paragraph 8.21.10;

## ANNEX 2 – PROPOSED TEXT TO MODIFY CUSC

### Part (i) - Text to give effect to CAP022 Proposed Amendment

#### 8.15 AMENDMENT PROPOSALS

- 8.15.1 A proposal to modify the **CUSC** may be made by a **CUSC Party**, by the **GECC** or by a **BSC Party** or, under Paragraphs 8.21.~~8~~**16** and 8.23.5, by the **Amendments Panel**.

#### 8.21 URGENT AMENDMENT PROPOSALS

- 8.21.1 If any **CUSC Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21, the **Panel Secretary** shall notify the **Panel Chairman** who shall then endeavour to obtain the views of the **Amendments Panel** as to the matters set out in Paragraph 8.21.2. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall do so.

- 8.21.2 The matters referred to in Paragraph 8.21.1 are:

- (a) whether such proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21 and
- (b) if so, the procedure and timetable to be followed in respect of such **Urgent Amendment Proposal**.

- 8.21.3 If:

- (a) the **Amendments Panel** agrees that such proposal should be treated as an **Urgent Amendment Proposal**;  
or
- (b) where the **Panel Chairman** or the **Panel Secretary** was unable to contact all **Panel Members**, the majority of **Panel Members** contacted so agree; or
- (c) where the **Panel Chairman** or the **Panel Secretary** was unable to contact any other **Panel Member**, the **Panel Chairman** considers that such proposal should be treated as an **Urgent Amendment Proposal**,

the **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith consult the **Authority** as to whether such **Amendment Proposal** is an **Urgent Amendment Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

8.21.4 The **Amendments Panel** shall:

- (a) not treat any **Amendment Proposal** as an **Urgent Amendment Proposal** except with the prior consent of the **Authority**;
- (b) comply with the procedure and timetable in respect of any **Urgent Amendment Proposal** approved by the **Authority**; and
- (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.21.3.

8.21.5 For the purposes of this Paragraph 8.21.5, the procedure and timetable in respect of an **Urgent Amendment Proposal** may (with the approval of the Authority pursuant to Paragraph 8.21.3) deviate from all or part of the **Amendment Procedures** to follow any other procedure or timetable approved by the **Authority**.

8.21.6 The **Amendment Report** in respect of an **Urgent Amendment Proposal** shall include a statement as to why the **CUSC Party** believes that such **Amendment Proposal** should be treated as an **Urgent Amendment Proposal** and the extent to which the procedure followed deviated from the **Amendment Procedures** (other than the procedures in this Paragraph 8.21).

8.21.7 Each **CUSC Party** and each **Panel Member** shall take all reasonable steps to ensure that an **Urgent Amendment Proposal** is considered, evaluated and (subject to the approval of the **Authority**) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an **Urgent Amendment Proposal** may (subject to the approval of the **Authority**) result in the **CUSC** being amended on the day on which such proposal is submitted.

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall following such amendment, ~~establish an **Review of Urgent Amendment Review-Group** in accordance with Paragraph 8.21.10, initiate the **Amendment Procedures** in order to better facilitate the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**.~~

8.21.9 The terms of reference of the **Review of Urgent Amendment Review-Group** will be to consider and report to the **Amendments Panel** as to whether there may be another solution that may, as compared with the implemented **Urgent Amendment Proposal**, better facilitate the **Applicable CUSC**

**Objectives.** The **Amendments Panel** shall specify a timetable, which shall be no longer than three months) within which the **Review of Urgent Amendment Review-Group** is to report to it and may establish other requirements in relation to the intended scope of the **Review of Urgent Amendment Review-Group's** considerations.

8.21.10 A **Review of Urgent Amendment Review-Group** shall comprise at least five (5) persons (who may be **Panel Members**) selected by the **Amendments Panel** from those nominated by **CUSC Parties** for their relevant experience and/or expertise in the areas forming the subject-matter of the Review. The **Amendments Panel** shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such **Review of Urgent Amendment Review-Group**, provided that there shall always be at least one member representing NGC. A representative of the **Authority** may attend any meeting of an **Review of Urgent Amendment Review-Group** as an observer and may speak at such meeting.

8.21.11 **NGC** shall in consultation with the **Amendments Panel** appoint the chairman of each **Review of Urgent Amendment Review-Group** who shall act impartially and as an independent chairman.

8.21.12 The **Amendments Panel** may add further members to an **Review of Urgent Amendment Review-Group** after it is established.

8.21.13 The **Amendments Panel** may (but shall not be obliged to) replace any member of an **Review of Urgent Amendment Review-Group** appointed pursuant to Paragraph 8.22.2 8.21.10 and 8.21.12 at any time if such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the **Review of Urgent Amendment Review-Group**.

8.21.14

(a) Each **Review of Urgent Amendment Review-Group** chairman shall prepare a report to the **Amendments Panel** responding to the matter detailed in the terms of reference in accordance with the time period set by the **Amendments Panel**.

(b) If a **Review of Urgent Amendment Review-Group** is unable to reach agreement on any such matter, the report must reflect the views of the members of the **Review of Urgent Amendment Review Group**.

(c) The report will be circulated in draft form to **Review of Urgent Amendment Review-Group** members and a

period of not less than five (5) **Business Days** given for comments thereon. Any unresolved comments made shall be reflected in the final report.

(d) The chairman or another member (nominated by the chairman) of the **Review of Urgent Amendment Review Group** shall attend the next **Amendments Panel** meeting following delivery of the report and may be invited to present the findings and/or answer the questions of **Panel Members** in respect thereof. Other members of the **Review of Urgent Amendment Review Group** may also attend such **Amendments Panel** meeting.

8.21.15 Subject to the provisions in this Paragraph 8.21 and unless otherwise determined by the **Amendments Panel**, the **Review of Urgent Amendment 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 **Review of Urgent Amendment Group**, and the chairman or any other member of that **Review of Urgent Amendment Group** may invite any person to speak at such meetings. (as suggested by SP).

8.21.156 If the report from the **Review of Urgent Amendment Review Group** recommends to the **Amendments Panel** that there is an alternative to the implemented **Urgent Amendment Proposal** that could better facilitate the **Applicable CUSC Objectives**, then the **Amendments Panel** shall propose an amendment to the **CUSC** in line with Paragraph 8.15.1 of the **CUSC**.

## SECTION 11 – INTERPRETATION AND DEFINITIONS

<u>“Review of Urgent Amendment Review Group”</u>	<u>An group established by the Amendments Panel pursuant to Paragraph 8.21.10;</u>
--	--

**Part (ii) - Text to give effect to Alternative Amendment (A)**

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall, following such amendment, ~~initiate the Amendment Procedures in order to establish a~~ **Standing Group** in accordance with Paragraph 8.18 to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**.

**Part (iii) - Text to give effect to Alternative Amendment (D)****8.15 AMENDMENT PROPOSALS**

- 8.15.1 A proposal to modify the **CUSC** may be made by a **CUSC Party**, by the **GECC** or by a **BSC Party** or, under Paragraphs ~~8.21.8 and~~ 8.23.5, by the **Amendments Panel**.

**8.21 URGENT AMENDMENT PROPOSALS**

- 8.21.1 If any **CUSC Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21, the **Panel Secretary** shall notify the **Panel Chairman** who shall then endeavour to obtain the views of the **Amendments Panel** as to the matters set out in Paragraph 8.21.2. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall do so.

- 8.21.2 The matters referred to in Paragraph 8.21.1 are:

- (a) whether such proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21 and
- (b) if so, the procedure and timetable to be followed in respect of such **Urgent Amendment Proposal**.

- 8.21.3 If:

- (a) the **Amendments Panel** agrees that such proposal should be treated as an **Urgent Amendment Proposal**;  
or
- (b) where the **Panel Chairman** or the **Panel Secretary** was unable to contact all **Panel Members**, the majority of **Panel Members** contacted so agree; or
- (c) where the **Panel Chairman** or the **Panel Secretary** was unable to contact any other **Panel Member**, the **Panel Chairman** considers that such proposal should be treated as an **Urgent Amendment Proposal**,

the **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith consult the **Authority** as to whether such **Amendment Proposal** is an **Urgent Amendment Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

8.21.4 The **Amendments Panel** shall:

- (a) not treat any **Amendment Proposal** as an **Urgent Amendment Proposal** except with the prior consent of the **Authority**;
- (b) comply with the procedure and timetable in respect of any **Urgent Amendment Proposal** approved by the **Authority**; and
- (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.21.3.

8.21.5 For the purposes of this Paragraph 8.21.5, the procedure and timetable in respect of an **Urgent Amendment Proposal** may (with the approval of the Authority pursuant to Paragraph 8.21.3) deviate from all or part of the **Amendment Procedures** to follow any other procedure or timetable approved by the **Authority**.

8.21.6 The **Amendment Report** in respect of an **Urgent Amendment Proposal** shall include a statement as to why the **CUSC Party** believes that such **Amendment Proposal** should be treated as an **Urgent Amendment Proposal** and the extent to which the procedure followed deviated from the **Amendment Procedures** (other than the procedures in this Paragraph 8.21).

8.21.7 Each **CUSC Party** and each **Panel Member** shall take all reasonable steps to ensure that an **Urgent Amendment Proposal** is considered, evaluated and (subject to the approval of the **Authority**) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an **Urgent Amendment Proposal** may (subject to the approval of the **Authority**) result in the **CUSC** being amended on the day on which such proposal is submitted.

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** ~~shall~~ **may** following such amendment, establish a review (an Urgent Review being for the purposes of Section 8 of the CUSC an Amendment Proposal), initiate the Amendment Procedures in order to better facilitate the Applicable CUSC Objectives in respect of the subject matter of that Urgent Amendment Proposal.

8.21.9 The terms of reference of the Urgent Review will be to consider and report to the Amendments Panel as to whether there may be another solution that may, as compared with the implemented Urgent Amendment Proposal, better facilitate the Applicable CUSC Objectives. The Amendments Panel

shall specify a timetable, which shall be no longer than three months) within which the Group (being either a **Working Group** or a **Standing Group**) is to report to it and may establish other requirements in relation to the intended scope of the Group's considerations.

8.21.10 If the report from the Group reviewing the **Urgent Amendment** recommends to the **Amendments Panel** that there is an alternative to the implemented **Urgent Amendment Proposal** that could better facilitate the **Applicable CUSC Objectives**, then the **NGC** shall (if no other **CUSC Party** does so) propose an amendment to the **CUSC** in line with Paragraph 8.15.1 of the **CUSC**.

### **Part (iv) – In the event of approval of CAP021 Proposed Amendment**

Note: In the event of approval of CAP021 Proposed Amendment, the text changes shown below should be made in addition to the text changes for CAP022 Proposed Amendment or Alternative Amendments whichever is approved for implementation.

After the words “...following such amendment...” in Paragraph 8.21.8, insert “determine whether or not to”, and delete the remainder of Paragraph 8.21.8 beginning with the words “...initiate the Amendment Procedures...”

### **Part (v) – In the event of approval of CAP021 Alternative Amendment**

Note: In the event of approval of CAP021 Alternative Amendment, the text changes shown below should be made in addition to the text changes for CAP022 Proposed Amendment or Alternative Amendments, whichever is approved for implementation.

After the words “... in accordance with Paragraph 8.23, the **Amendments Panel...**” in Paragraph 8.21.8, insert “may or (where it appears to the Amendments Panel that there is a reasonable level of support for a review amongst CUSC Parties)”

### **Part (vi) – Text to give effect to Alternative Amendment (E)**

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall, following such amendment, ~~initiate the Amendment Procedures~~ raise an Amendment Proposal and establish a Working Group in accordance with Paragraph 8.17 in order to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**.

**ANNEX 3 – COPIES OF REPRESENTATIONS RECEIVED TO THE INITIAL  
CAP022 CONSULTATION**

This Annex includes copies of any representations received following circulation of the first Consultation Document (circulated on 8<sup>th</sup> August 2002, requesting comments by close of business on 5<sup>th</sup> September 2002).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	Powergen plc	CAP022-CR1-01
2	British Gas Trading Limited	CAP022-CR1-02
3	TXU Europe Energy Trading Ltd	CAP022-CR1-03
4	Elexon Limited	CAP022-CR1-04
5	London Electricity Group	CAP022-CR1-05
6	British Energy plc	CAP022-CR1-06
7	Scottish Power Generation Limited & Scottish Power Energy Retail Limited	CAP022-CR1-07

<b>Reference</b>	CAP022-CR-01
<b>Company</b>	Powergen plc

Christiane Sykes  
Strategy and Regulation



Emma Groves  
Commercial Development  
The National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

2 September 2002  
Reference CAP022

Dear Emma

**Reference CAP022 Urgent Amendment Proposals – Review Process**

Powergen is in favour of the above amendment proposal as we believe it would better facilitate the Applicable CUSC Objectives in improving the amendment procedures.

The proposal creates a more efficient and transparent process for urgent amendment proposals and ensures that a standard course of action is taken to review urgent proposals before they go to the Authority, to investigate whether or not an alternative proposal might be made that would better facilitate the Applicable CUSC objectives.

We look forward to the implementation of the proposal in the near future.

Yours sincerely,

A handwritten signature in black ink, appearing to read "C Sykes".

Christiane Sykes.

<b>Reference</b>	CAP022-CR-02
<b>Company</b>	British Gas Trading Limited



energy management group

National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV 4 8JY

**Charter Court**  
**50 Windsor Road**  
**Slough**  
**Berkshire**  
**SL1 2HA**

For the Attention of Emma Groves -  
Commercial

Tel. (01753) 758051  
Fax (01753) 758  
Our Ref. G: transp/elec/cusc  
Your Ref.  
04 October 2002

Dear Emma,

### **RE: CAP022 – Urgent Amendment Proposals – Review Process**

Thank you for the opportunity to comment on this Amendment Proposal. British Gas Trading (BGT) agrees that the current CUSC drafting is unclear in this area and agrees with the principal of the AP as specified in Paragraph 3.5 of the Consultation Document.

However, there are a couple of elements of the proposal that we believe could be improved upon. These are:

- a) Use of other Groups – notwithstanding the issues, identified during the GSG discussions of this topic, we believe that it would be more efficient to allow the Panel, where a Standing Group or Working Group is already in existence and considering topics in an associated area, to refer the Urgent Review to that group rather than create a separate new group. This would just require a modification of the relevant Groups Terms of Reference by the Panel at the time.
- b) Clarify whether it should be the Panel or a CUSC party (such as NGC) who are required to raise an Amendment if the Urgent Review identifies a better way of proceeding. It is unclear how the Panel would discharge this responsibility other than relying on NGC as Panel Chair and Secretary. We believe that it may therefore be better to reflect this explicitly in the CUSC. This would allow all the normal CUSC rules as to “ownership” of an Amendment Proposal to operate.

**A *centrica* business**

**British Gas Trading Limited** Registered in England No.3078711. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD  
www.gas.co.uk

Finally we would note that there appear to be an error in the proposed legal text. We believe that the change to the cross reference in Clause 8.15.1 should be to "8.21.15" and not "8.21.17" as drafted. (Subject to our comments in b) above).

We would wish our comments to be considered as an Alternative Amendment Proposal.

We trust that you find our comments useful. Should you wish to discuss any elements further please do not hesitate to contact me.

Yours sincerely,

Simon Goldring  
Transportation Manager

**A *centrica* business**

British Gas Trading Limited Registered in England No.3078711. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD  
www.gas.co.uk

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<b>Reference</b>	CAP022-CR-03
<b>Company</b>	TXU Europe Energy Trading Ltd

Emma Groves  
National Grid Company plc  
Kirby Corner Road  
Coventry  
CV4 8JY

TXU Europe Energy Trading Ltd  
Wherstead Park  
Wherstead  
Ipswich  
Suffolk  
IP9 2AQ

5<sup>th</sup> September 2002

**CAP022 Consultation Response**

Dear Emma

We confirm that we support the Amendment proposal as drafted.

Yours sincerely

Philip Russell  
Market Development Manager  
For and on behalf of the 21 TXU CUSC Parties

<b>Reference</b>	CAP022-CR-04
<b>Company</b>	Elexon Limited

Our ref. Comments on CAP022

Your ref. CAP022



06 September 2002

Emma Groves

Commercial

National Grid Company plc

National Grid House

Kirby Corner Road

Coventry CV4 8JY

(By email to: [emma.groves@uk.ngrid.com](mailto:emma.groves@uk.ngrid.com))

Dear Emma,

Comments on Consultation Paper CAP021 'Urgent Amendment Proposals - Review Process'

ELEXON acting as the Balancing and Settlement Code Company has reviewed the Consultation Paper CAP022 'Urgent Amendment Proposals - Review Process'. This proposal seeks to require the Amendments Panel to establish an Urgent Review Group to carry out reviews of implemented Urgent Amendment Proposals. ELEXON has no comments to make regarding the 'Proposed Amendment', as there is no impact on the BSC or ELEXON.

There are no specific Urgent Modification Groups under the BSC, and it should be noted that the requirement to review implemented Urgent Modifications is not mandatory.

Yours sincerely

Helen Bray

ELEXON Change Delivery

<b>Reference</b>	CAP022-CR1-05
<b>Company</b>	London Electricity Group

**From:** Cecil Dick [Dick.Cecil@le-group.co.uk]  
**Sent:** 05 September 2002 16:34  
**To:** Groves, Emma  
**Subject:** CAP022 consultation response

## **Consultation Response - CAP022 Urgent Amendment Proposals - Review Process**

*This response from London Electricity Group is on behalf of all the groups CUSC Parties.*

*We support the CAP022. We consider that by setting out a clear process of implemented Urgent Amendment reviews CAP022 better meets the CUSC objectives. We have a suggestion regarding the proposed drafting.*

### **New defined term**

The amendment proposes a process for review of Amendments that have been implemented on a fast track process after being confirmed as Urgent Amendment. Paragraph 8.21.8 introduces the new defined term "Urgent Review Group". This title implies that the review is urgent, whereas those currently involved in CAP 022 know that the word Urgent transfers from the previous amendment process. The review itself is not urgent, just precautionary. No outcome would be expected from such a review on most occasions.

Therefore the defined new term should be "Review of Urgent Amendment Group" rather than "Urgent Review Group" as proposed. Corresponding changes reflecting this should be made to the proposed text.

Dick Cecil  
London Electricity Group

<b>Reference</b>	CAP022-CR1-06
<b>Company</b>	British Energy plc



5<sup>th</sup> September 2002

Emma Groves  
Commercial Development  
The National Grid Company plc  
Kirby Corner Road  
COVENTRY  
CV4 8JY

Dear Emma,

**CUSC Consultation Document CAP022:**  
**Urgent Amendment Proposals: Review Process**

In consideration of the above CAP, we would advise that whilst we support the principle of the proposed amendment, we believe that a better solution is to establish a specific Standing Group to perform the post-implementation review process.

In order to better inform NGC, Ofgem and the industry generally in relation to the issue, and given the experience of earlier Ofgem 'decision' documents on other CAPs, we therefore believe it is appropriate for this response to contain a number of Alternative Amendments for due consideration. These are indicated below together with the rationale for each of them to place these alternatives into context. We believe that each of these alternatives better facilitates achievement of the Applicable CUSC Objectives compared to both the current CUSC and the original CAP022 solution proposed.

By way of background, the current CUSC process, albeit deemed to be unworkable for the reasons outlined in the NGC consultation report section 3.0, largely mirrors the provisions in the BSC (Part F, section 2.9 "Urgent Code Modifications." The main differences between the codes for the post-implementation review of an urgent modification/amendment are:-

- a) Provision of a discretionary review in the BSC under F 2.9.7 (an issue which has been acknowledged within CUSC and for which the CAP021 proposal addresses.)
- b) Any review is undertaken by a Modification Group within the BSC; noting that the BSC only provides for Modification Groups unlike the CUSC which provides for both Working Groups and Standing Groups. (We note here that Modification Standing Groups are now being proposed within the BSC which will broadly mirror CUSC provisions).

For reference and comparison, we note that of the 100 BSC Modifications raised to date, 15 were raised as Urgent Modifications, of which 9 have been Approved and implemented, 5 have been Rejected and 1 remains with the Authority for decision. We believe that to date of the 9 approved modifications only 1 has been the subject of any post-implementation review initiated under the discretionary powers of F2.9.7.

A conclusion which could therefore be drawn is that the Urgent Modification process in the BSC does work satisfactorily to the extent that only one of the approved and implemented Urgent BSC Mods. has required use of a post completion review. However there is a note of caution here as the nature of many modifications within the BSC is to require system changes and therefore lead times for Users to identify issues arising from implementation of system-based modifications will tend to be longer than for the parallel CUSC processes and therefore 'new' modifications would tend to be raised within the BSC only after a 'bedding-in' period during which issues may materialise.

It can be argued that the relatively small number of Urgent modifications or amendments which occur across both Codes are an indication that the fundamental processes and systems are working, and therefore that a pragmatic 'fit for purpose' approach should be adopted.

The proposed establishment of an Urgent Review Group within CUSC as a separate entity, with the inevitable complexity of textual codification highlighted by the CAP legal text presented, is not seen as a 'fit for purpose' solution. It is noted that the legal text to support this proposal was not made available to the Governance Standing Group (GSG).

We believe that the most appropriate 'fit for purpose' solution which better facilitates achievement of the applicable CUSC Objectives is to designate a specific Standing Group as the group to perform any review. We note but disagree with the narrow interpretation of the role of Standing Groups concluded by both NGC and the GSG (consultation document section 3.3 refers) and would advise that the scope of Standing Groups as defined within CUSC section 8.18.1 does provide the Amendment Panel with the remit to set up and define appropriate terms of reference for a Standing Group to fulfill the 'Urgent Review Group' role as envisaged by the consultation document sections 3.4 and 3.5. We therefore propose this option as an Alternative Amendment (A) to this CAP022 as per Annex 1 attached.

In the interests of process efficiency and for completeness, and in line with Appendix B, para 17 of the 8<sup>th</sup> August GSG report to the CUSC Panel, we note that the recommendation for CUSC Amendments which are implemented in accordance with the Transmission Licence (CUSC 8.23.5 refers) should be similarly subject to a post-implementation review as per other Urgent Amendments, but this has not been addressed by this CAP022. An oversight? We therefore propose Alternative Amendment (B) in Annex 2 attached which is identical to Alternative Amendment (A) but in addition amends CUSC 8.23.5. to invoke the Standing Group review process as the recommended and preferred solution.

Should Ofgem be minded to approve the original CAP022 solution recommended by NGC, which we have indicated we do not support, it should be noted that we understand that there are two reference errors in the current CUSC text which should be corrected in para.8.21.5 before any such implementation in any event. Therefore for process compliance, and to allow provision for correction of these errors, Alternative Amendment ( C ) is attached as Annex 3, which is otherwise identical to the NGC submitted text.

It should be noted that in order not to compromise our other Alternative Amendments (A) and (B), these possible reference errors have not been provided for in our alternatives submitted as, if the errors and proposed corrections are agreed to be valid, they can be registered by NGC on the 'housekeeping' section of the Amendment Register for action at a later date as they have no obvious direct material effect. However, this does pose the question as to whether there should be a defined process to effect minor changes of this nature which become apparent either directly during a related consultation review, or which arise inadvertently as the result of the proposed amendment text, prior to any implementation.

Finally, we note that any decision in respect of CAP021 to allow for a discretionary review of any implemented Urgent Amendment Proposals would have the effect of modifying paragraph. 8.21.8. which would in turn require the text of all of the attached Alternative Amendments to be amended. This also raises a further process issue. This response is not predicated on the effect of CAP021 being incorporated into this CAP022, but this means that a further contingent of three Alternative Amendments is required in order to cater for possible implementation of CAP021. These are explicitly provided for in Annex 4

If you have any queries associated with this response, please do not hesitate to contact me to discuss further

Yours faithfully,

Steve Phillips

Senior Trading Consultant  
Market Development  
Power & Energy Trading

## Annex 1: Alternative Amendment (A)

### Proposed Draft Text To Modify CUSC

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall, following such amendment, establish a **Standing Group** in accordance with Paragraph 8.18. to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**

## Annex 2: Alternative Amendment (B)

### Proposed Draft Text To Modify CUSC

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall, following such amendment, establish a **Standing Group** in accordance with Paragraph 8.18. to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal**

8.23.5 If an amendment is made to the **CUSC** in accordance with the **Transmission Licence** but other than pursuant to the other **Amendment Procedures** in this Section 8, the **Amendments Panel** may, following such amendment, establish a **Standing Group** in accordance with Paragraph 8.18. to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that original amendment. .

## Annex 3: Alternative Amendment (C)

### Proposed Draft Text To Modify CUSC

\*\*Other than the specific paragraph content change below; the remainder of the text is as per the original text provided by NGC within the CAP022 Consultation Document, Annex 1 Part A\*\*

8.21.5 For the purposes of this Paragraph 8.21., the procedure and timetable in respect of an **Urgent Amendment Proposal** may (with the approval of the **Authority** pursuant to Paragraph 8.21.4) deviate from all or part of the **Amendment Procedures** to follow any other procedure or timetable approved by the **Authority**.

## **Annex 4: Alternative Amendments (A1) (B1) and (C1)**

(Applicable only in the event of the approval of CAP021)

For each of the Alternative Amendments A, B and C in the above Annexes 1 to 3, in the event of the approval and implementation of CAP021, then the Alternative Amendments A1, B1 and C1 are to be substituted where, in each case, the text provided in the alternative amendments is identical with the following exception associated with paragraph 8.21.8

In Paragraph 8.21.8, after the words “...following such amendment...”, insert “**determine whether or not to**”

<b>Reference</b>	CAP022-CR1-07
<b>Company</b>	Scottish Power Generation Limited & ScottishPower Energy Retail Limited

## **CUSC Amendment Consultation**

To: Emma Groves  
Commercial  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry CV4 8JY

5th September 2002

### **CAP022: Urgent Amendment Proposals – Review Process**

Dear Emma,

Many thanks for the opportunity to consider the consultation document in respect of CUSC Amendment Proposal CAP022. This response is provided on behalf of Scottish Power Generation Limited and ScottishPower Energy Retail Limited.

CAP022 highlights an omission in CUSC governance (CUSC 8.21.8), whereby the CUSC Amendment Panel cannot review an approved Urgent Amendment Proposal except by initiating an alternative Amendment Proposal. However, the Panel itself cannot identify the issue or defect to be resolved through such an alternative Amendment, as it is obliged to do under current Amendment Procedures, until the review is carried out.

It would be sensible to have a mechanism in place by which to review the approved Urgent Proposal before raising an alternative Amendment if necessary. We agree that the proposed Urgent Review Group would provide such a mechanism and support CAP022 as meeting the Applicable CUSC Objective, enabling NGC to more efficiently discharge its obligations under its Licence.

In respect of the proposed drafting changes for CAP022, our comments in respect of CAP021 indicated our support for an alternative Amendment with alternative wording changes to CUSC 8.21.8. We would, therefore, wish to see those changes reflected in respect of CAP022. Our alternative wording would be as follows (changes in italics):

“Where an Urgent Amendment Proposal results in an amendment being made in accordance with Paragraph 8.23, the Amendments Panel *may or (where it appears to the Amendments Panel that there is a reasonable level of support for a review amongst CUSC Parties)* shall, following such amendment, *establish an Urgent Review Group in accordance with Paragraph 8.21.10.* ~~initiate the Amendment Procedures in order to consider whether any Alternative Amendment could better facilitate the Applicable CUSC Objectives in respect of the subject matter of that Urgent Amendment Proposal.~~”

In addition, we would highlight the following points in respect of the proposed drafting:

Paragraph 8.15.1 – an incorrect cross-reference is provided. It should be Paragraph 8.21.16 and not 8.21.17 (see below);

Paragraph 8.21.13 – another incorrect cross-reference. It should be Paragraphs 8.21.10 and 8.21.12 – as Group members added later on ought also to be subject to removal for the stated reasons in this Paragraph – and not Paragraph 8.22.2.

We would also suggest a new Paragraph 8.21.15 (the proposed Paragraph 8.21.15 would then become Paragraph 8.21.16), which allows Urgent Review Group meetings to be open to attendance by CUSC Parties, etc. This should mirror the second sentence in Paragraph 8.18.7 (relating to CUSC Standing Group procedures).

It may be NGC's view that these drafting changes amount to an alternative Amendment to CAP022, although they are really only intended to be consistent with the suggested alternative baseline suggested in our response to the CAP021 consultation, as well as provide further enhancement to the CAP022 drafting. We note that NGC will bring forward further proposals to clarify CUSC provisions in respect of alternative Amendments in due course.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh  
Commercial Analyst (0141 568 3113)

**ANNEX 4 – COPIES OF REPRESENTATIONS RECEIVED TO  
SUPPLEMENTARY CAP022 CONSULTATION**

This Annex includes copies of any representations received following circulation of the Supplementary CAP022 Consultation Document (circulated on 11<sup>th</sup> September 2002, requesting comments by close of business on 25<sup>th</sup> September 2002).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	TXU Europe Energy Trading Ltd	CAP022-CR2-01
2	British Gas Trading Ltd	CAP022-CR2-02
3	Scottish Power Generation	CAP022-CR2-03
4	Elexon Limited	CAP022-CR2-04
5	British Energy plc	CAP022-CR2-05
6	London Electricity Group plc	CAP022-CR2-06

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<b>Reference</b>	CAP022-CR2-01
<b>Company</b>	TXU Europe Energy Trading Limited

Emma Groves  
National Grid Company plc  
Kirby Corner Road  
Coventry  
CV4 8JY

TXU Europe Energy Trading Ltd  
Wherstead Park  
Wherstead  
Ipswich  
Suffolk  
IP9 2AQ

19<sup>th</sup> September 2002

**CAP022 Consultation Response**

Dear Emma

We confirm that we support the revised Amendment proposal as drafted in Annex 1 Part A of the supplementary consultation document..

Yours sincerely

Philip Russell  
Market Development Manager  
For and on behalf of the 21 TXU CUSC Parties

<b>Reference</b>	CAP022-CR2-02
<b>Company</b>	British Gas Trading Ltd



energy management group

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

**Charter Court**  
**50 Windsor Road**  
**Slough**  
**Berkshire**  
**SL1 2HA**

For the Attention of Ms E Groves -  
Commercial

Tel. (01753) 758051  
Fax (01753) 758170

Our Ref. G: transp/cusc  
Your Ref.  
04 October 2002

Dear Emma,

**Re; CAP022 – Supplementary Consultation**

Thank you for the opportunity to comment on the text of the Final Amendment Report and on the Alternative Proposals raised during the Consultation phase.

As the Proposer of one of the Alternatives (Alternative D), British Gas Trading (BGT) continues to believe that this is an improvement on the existing CUSC and is the best solution from those proposed.

Looking at the other Alternatives, we would comment as follows:

Alternative A – we agree with the proposer that the NGC view of the role and remit of Standing Groups is incorrect and too narrow. However, since the range of issues that could fall into the category requiring this Review covers the whole of the CUSC activities it is difficult to envisage one set of Group members being appropriate for all occasions. We therefore do not support this proposal.

Alternative B – we agree in principle with the proposer that the requirements of 8.23.5 need revising and should be brought into line with any change made under CAP022. However, we cannot agree with the linkage to Alternative A.

Alternative C – we note and agree with the proposer that these corrections are required. We are unclear why these cannot be included here.

Alternative D – as stated above, we still believe that this Alternative is the best solution to the current situation. We do not agree with NGC that it is inappropriate to put responsibility on any party to raise Amendment Proposals, nor why a grouping such as the Panel is the appropriate body.

**A *centrica* business**

**British Gas Trading Limited** Registered in England No.3078711. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD  
www.gas.co.uk

Our concerns with the original proposal remain as identified in our original submission. Since it is hoped that CUSC will be amended to allow the Amendments Panel to only Review those changes where there is believed to be an outstanding concern and/or a better way of achieving the desired outcome, it becomes easier to see that initiating the Review by raising a new Amendment Proposal by an individual CUSC party, may be the best way to proceed.

We trust that you find our comments useful and if you wish to discuss them further, please do not hesitate to contact me.

Yours sincerely,

Simon Goldring  
Transportation Manager

**A *centrica* business**

British Gas Trading Limited Registered in England No.3078711. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD  
[www.gas.co.uk](http://www.gas.co.uk)

<b>Reference</b>	CAP022-CR2-03
<b>Company</b>	Scottish Power

## **CUSC Supplementary Consultation**

To: Emma Groves  
Commercial  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry CV4 8JY

25th September 2002

### **CAP022: Urgent Amendment Proposals – Review Process**

Dear Emma,

Thanks for this further opportunity to consider CUSC Amendment Proposal CAP022. This response is provided on behalf of Scottish Power Generation Limited and ScottishPower Energy Retail Limited.

We would wish to reiterate our support for the Original CAP022 Amendment. We note the Alternative Amendments raised (A & D) but would agree that they do not better meet the Applicable CUSC Objective, enabling NGC to more efficiently discharge its obligations under its Licence. A dedicated review Group for Urgent Amendments will provide both a clear resource to undertake a timely review and prevents Working and Standing Groups from being overburdened with additional work which will require a degree of focus and may need to be carried out in short timescales. In the case of Alternative Amendment B, we agree that this should be the subject of a separate Amendment proposal.

In respect of the proposed drafting changes for CAP022, our only additional comment is that the suggestion by London Electricity to rename the review Group leads to an awkwardly worded title. We would prefer the name “Urgent Amendments Review Group” rather than “Review of Urgent Amendment Group”. Our suggestion better captures the purpose of the proposed Group. We also note that you have not reflected in the Report the possible change to CUSC 8.21.8 if the CAP021 Alternative Amendment, which we have proposed, is accepted. This change, as it impacts on CAP022, should be reflected.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh  
Commercial Analyst (0141 568 3113)

<b>Reference</b>	CAP022-CR2-04
<b>Company</b>	Elexon Limited

**From:** Helen Bray [Helen.Bray@elexon.co.uk]  
**Sent:** 25 September 2002 15:46  
**To:** Groves, Emma  
**Subject:** CAP022 - Supplementary Consultation - ELEXON's consultation response

Dear Emma,

Please find detailed below ELEXON's response to the supplementary consultation for CAP022.

#### COMMENTS ON CONSULTATION PAPER CAP022

ELEXON acting as the Balancing & Settlement Code Company has reviewed the supplementary consultation paper for CAP022. ELEXON has no comments to make regarding the 'Proposed Amendment' and the 'Alternative Amendments', as there are no impacts on the BSC or ELEXON.

It should be noted that there are no specific "Urgent Review Modification Groups" under the BSC. If an existing Modification Group has the relevant expertise to assess an implemented Urgent Modification then this Modification Group would be used. Furthermore, the requirement to review an implemented Urgent Modification is not mandatory under the BSC.

Yours sincerely,

Helen Bray

ELEXON Change Delivery



<b>Reference</b>	CAP022-CR2-05
<b>Company</b>	British Energy plc

25th September 2002

Emma Groves  
Commercial Development  
The National Grid Company plc  
Kirby Corner Road  
COVENTRY  
CV4 8JY

Dear Emma,

**CUSC Consultation Document CAP022:**  
**Supplementary Consultation: Urgent Amendment Proposals: Review**  
**Process**

In consideration of a further review of the CAP022 issues afforded by the Supplementary Consultation Document, we would offer the following comments.

On a point of process, the lack of statement in section 6 of the Amendment Report implies that Amendments Panel members have not expressed a view in relation to the Amendment Proposal. Given this further consultation period as a consequence of the responses received, we would hope that the Panel members will have been consulted and their views collected for completeness and inclusion in the final Amendment Report to be issued to Ofgem.

We note that NGC remains of the opinion that a separate, specific group is appropriate. We note too that in the British Gas Trading 'Alternative' there is also a pragmatic proposal to utilise an existing group (Working or Standing) in the interests of efficiency.

We maintain that utilisation of the existing framework can provide a 'fit for purpose' solution to the issue and provide a much simpler legal text solution.

It is somewhat disingenuous for NGC to claim in para.7.4 that although both the GSG and NGC 'felt' that the use of a Standing Group was "not within their remit...and hence Alternative Amendment 'A' does not better facilitate achievement of the Applicable CUSC Objectives...", particularly as in the next sentence of the same paragraph NGC acknowledge that allowing a Standing Group, where this is in existence, is not precluded by the original Amendment Proposal. Does the use of a Standing Group work or not? It cannot do both.

We note too in para. 7.5 that Alternative B is considered to be discounted as a solution as the issue of CUSC 8.23.5 is stated to be part of another issue.

Whilst we do not necessarily accept this as a valid argument, (the post-implementation issue is considered identical) we do accept that a separate Amendment Proposal could be raised although this is seen as an inefficient process. We therefore call on NGC to give an assurance that an early Amendment Proposal will be raised to address the 8.23.5 issue and on receiving such an assurance, will readily withdraw Alternative B.

There is a common thread to the debate which acknowledges that the solution to the post-implementation of an Urgent Amendment is to establish a review group; the real question being as to what form such a group should take. The NGC proposal remains an unwieldy solution with its myriad legal text which largely replicates existing text for Working/Standing Groups and is therefore not supported.

As a consequence, the final Alternative Amendment not yet raised to complete the suite of possible solutions, is that of invoking a Working Group. On further reflection, the arguments that a Working Group is inappropriate do not really stack up. A Working Group can only function as a group with an Amendment Proposal(s) to consider. Upon implementation of an Urgent Amendment, the CUSC Panel (under CUSC 8.15.1) can raise such an Amendment Proposal. This would then provide the hook to enable a Working Group to be convened with the specific remit and terms of reference to function as a Review of Urgent Amendment Group and may be a more elegant solution than even the Standing Group alternative which we proposed in our original response.

**\*\*For clarity, the Standing Group alternative proposal was based on the premise that, post-implementation of an Urgent Amendment, NO Amendment Proposal was in existence and therefore a Standing Group, which is essentially topic based (i.e. does not necessarily require any specific Amendment Proposal to consider) rather than task based (Amendment Proposal based) was the most appropriate existing vehicle to utilise\*\*.**

Given the above, we would therefore propose a further Alternative Amendment which provides for a Working Group to undertake the necessary functions of an Urgent Amendment post-implementation review group.

#### Alternative Amendment: Proposed Draft Indicative Text

8.21.8 Where an **Urgent Amendment Proposal** results in an amendment being made in accordance with Paragraph 8.23, the **Amendments Panel** shall, following such amendment, *raise an **Amendment Proposal** and establish a **Working Group** in accordance with Paragraph 8.17. in order to consider whether any **Alternative Amendment** could better facilitate achievement of the **Applicable CUSC Objectives** in respect of the subject matter of that **Urgent Amendment Proposal***

*If you have any queries associated with this response, please do not hesitate to contact me to discuss further*

Yours faithfully,

Steve Phillips

Senior Trading Consultant  
Market Development  
Power & Energy Trading

<b>Reference</b>	CAP022-CR2-06
<b>Company</b>	London Electricity Group plc

**From:** Cecil Dick [Dick.Cecil@le-group.co.uk]  
**Sent:** 26 September 2002 08:48  
**To:** Groves, Emma  
**Subject:** Supplementary Consultation to CAP022

Supplementary Consultation Response -CAP022 Urgent Amendment Proposals -  
Review Process

This response from London Electricity Group is on behalf of all the groups  
CUSC Parties.

In our original support to CAP022 we said "We consider that by setting out a  
clear process of implemented Urgent Amendment reviews CAP022 better  
meets the CUSC objectives."

We proposed a different title for the review group and we are pleased to see it  
has been adopted in the revised draft because it does translate the purpose  
of the group more clearly.

With so many alternatives it is now difficult to trace a route to include those  
we might prefer and those we do not.

Our view is that we are most sympathetic with the first part of Amendment D  
(i.e. an existing group considering similar issues, can take the review of  
urgent amendment on board).

However, our final view that this consultation has clarified is that the CUSC  
Panel would be well advised not to recommend any amendment as urgent.  
Rather, where appropriate they should set expeditious time-frames under the  
normal amendment procedures.

Dick Cecil  
London Electricity Group

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**ANNEX 5 – 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 27 September 2002, requesting comments by close of business on 3 October 2002).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	Scottish Power Generation Ltd & ScottishPower Energy Retail Ltd	CAP022-AR-01

<b>Reference</b>	CAP022-AR-01
<b>Company</b>	Scottish Power Generation Ltd & ScottishPower Energy Retail Ltd

## **CUSC Draft Amendment Report**

To: Emma Groves  
Commercial  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry CV4 8JY

3rd October 2002

### **CAP022: Urgent Amendment Proposals – Review Process**

Dear Emma,

Thanks for this further opportunity to consider CUSC Amendment Proposal CAP022. This response is provided on behalf of Scottish Power Generation Limited and ScottishPower Energy Retail Limited.

We continue to support the Original CAP022 Amendment, with the addition of the drafting changes which we have proposed in previous consultation responses, including a revised title for the review Group (“Urgent Amendments Review Group”). We note the Alternative Amendments raised (A, D & E) but maintain our view that they do not better meet the Applicable CUSC Objective, enabling NGC to more efficiently discharge its obligations under its Licence. A dedicated review Group for Urgent Amendments will provide both a clear resource to undertake a timely review and prevents Working and Standing Groups from being overburdened with additional work which will require a degree of focus and may need to be carried out in short timescales. In the case of Alternative Amendment B, we agree that this should be the subject of a separate Amendment proposal.

Could you please note for the sake of completeness, in the summary of views in respect of the Supplementary consultation, that we support the Original CAP022 Amendment as redrafted.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh  
Commercial Analyst (0141 568 3113)