

CUSC Amendment Proposal Form	CAP:184
<p>Title of Amendment Proposal: Code Governance Review: Self-governance</p>	
<p>Description of the Proposed Amendment (<i>mandatory by proposer</i>):</p> <p>This Amendment Proposal is part of a series of proposals raised by National Grid to implement the Final Proposals of the Code Governance Review which was initiated by Ofgem in November 2007. The review sought to address concerns that the existing code arrangements may be too complex and inaccessible to smaller market participants. Given the Authority's evolving role with the introduction of additional statutory duties and the right of appeal to the Competition Commission, such a review was considered to be conducted at an appropriate time.</p> <p>Ofgem published its Final Proposals for the Code Governance Review in March 2010, followed by its statutory consultation on licence modifications on 3rd June 2010. National Grid did not object to the licence modifications. As part of the suite of work strands conducted by the Code Governance Review, one of the proposals identified was the introduction of a Self-governance route. The Self-governance proposal seeks to allow the industry greater control over Amendments and in effect reduce the regulatory burden where it is deemed by the Authority that an Amendment can be progressed via the self governance route.</p> <p>This Amendment Proposal seeks to introduce a new process for those Amendments which are deemed to have non material changes or impacts to the following:</p> <ul style="list-style-type: none"> • Existing or future electricity consumers • Operation of the National Electricity Transmission System (NETS) • Security or safety of supply or sustainable development • Competition • CUSC governance or modification procedures <p>National Grid proposes the following Amendment to the CUSC to insert the following process:</p> <ol style="list-style-type: none"> (i) Where a Proposer has specifically indicated that they would like the Amendment Proposal to be considered as Self-governance, the rationale for this will have to be given within the proposal form. The Panel may still consider the Self-governance route for an Amendment Proposal regardless of whether the proposer has indicated this on the proposal form. (ii) Where, in the view of the Amendments Panel, it has been decided that the Amendment Proposal meets the Self-governance criteria; the Panel would submit a Self-governance statement to the Authority, which would provide detailed reasons behind the Panel's opinion. (iii) The Panel may optionally decide to hold Working Groups or consult on the suitability of the Self-governance route. (iv) The Authority may veto the Self-governance decision at any time up until the Panel makes their final determination. If the Self-governance decision is vetoed, then the final Amendment report would be presented to the Authority for determination. (v) Up until the final determination, the Panel may withdraw the Self-governance statement, whereby the Final Amendment report would be presented to the Authority for determination. (vi) The consultation responses would have to be submitted to the Authority at least seven calendar days before the final determination by the Panel, unless it has been deemed by the Authority that the Panel is exempt from submitting the consultation responses. (vii) The Panel would determine based on the assessment against the applicable CUSC objectives. (viii) The Panel would notify the Code Administrator of the determination who would subsequently inform the Industry of the Panel decision. (ix) After the final determination by the Panel, the Amendment should be implemented providing no appeal has been raised up to and including 15 Business Days after the Panel's determination. (x) The Panel Chairman will have a casting vote in the event of a deadlock when the Panel is 	

- (xi) required to make a determination.
- (xi) The implementation of a Self-governance proposal would be suspended pending the outcome of an appeal.
- (xii) The Self-governance Amendment Proposal will replace the current Housekeeping Amendments process within Section 8.21.2 of the CUSC.

Appeals

- (xiii) Up to and including 15 Business Days from the final determination, a party may appeal against the Amendment Proposal decision, rather than the Self-governance process. However, this will be assessed based on whether it meets the grounds for appeal:
 - The Amendment does not better facilitate the achievement of at least one of the CUSC objectives
 - The Amendment Proposal is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.
- (xiv) The appeals will be sent to the Authority to take the decision on the implementation of the Amendment Proposal if required. A copy of the appeal would have to be sent to the Code Administrator who would notify the Panel and the rest of the industry.
- (xv) The routes of appeal are as follows:
- (xvi) **Route 1:** The Authority may make a decision to uphold the appeal and decide on implementation/non implementation or they may uphold the Panel's decision.
- (xvii) **Route 2:** The Authority may refer the decision back to the Panel for consideration whilst retaining the Self-governance route or the Authority may refer back to the Panel and veto the Self-governance decision in which case the Authority will make the final determination. In both cases the Panel can make the same recommendation as originally presented to the Authority.
- (xviii) If a party does not agree with the decision made by the Authority, then this can be appealed to the Competition Commission.

Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory by proposer):*

The Code Governance Review seeks to implement Self-governance within the Transmission Licence to improve the existing code arrangements. Where it is determined that a proposal will not have a material impact on the categories set out above, this amendment will expedite the process of implementing an amendment, providing the Industry agrees with the proposal.

Impact on the CUSC *(this should be given where possible):*

Initial assessment of the CUSC suggests that changes are required to section 8 of the CUSC

Impact on Core Industry Documentation *(this should be given where possible):*

None anticipated

Impact on Computer Systems and Processes used by CUSC Parties *(this should be given where possible):*

None anticipated

Details of any Related Modifications to Other Industry Codes *(where known):*

National Grid intends to raise similar proposals to both the BSC and the UNC, in line with the timetable which has been published to the industry in June 2010. These Modification Proposals will not interact with the changes proposed to the CUSC.

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** *(mandatory by proposer):*

National Grid considers that implementation of this Amendment Proposal would better facilitate the following Applicable CUSC Objective:

(a): "the efficient discharge by the licensee of the obligations imposed upon it under the Act and by

this licence", specifically with regard to the obligation under standard condition C10 of the licence.

This proposal is resulting from Ofgem's review of the Licence and therefore National Grid is mandated by the new licence obligations to make the changes and additions to the CUSC where applicable.

Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Steven Lam National Grid Electricity Transmission plc 01926 653534 Steven.lam@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Alex Thomason National Grid Electricity Transmission plc 01926 656379 Alex.thomason@uk.ngrid.com
Attachments (Yes): If Yes, Title and No. of pages of each Attachment:	2 pages – Self-governance and Self-governance appeals

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Steven Lam
Commercial
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Or via e-mail to: steven.lam@uk.ngrid.com

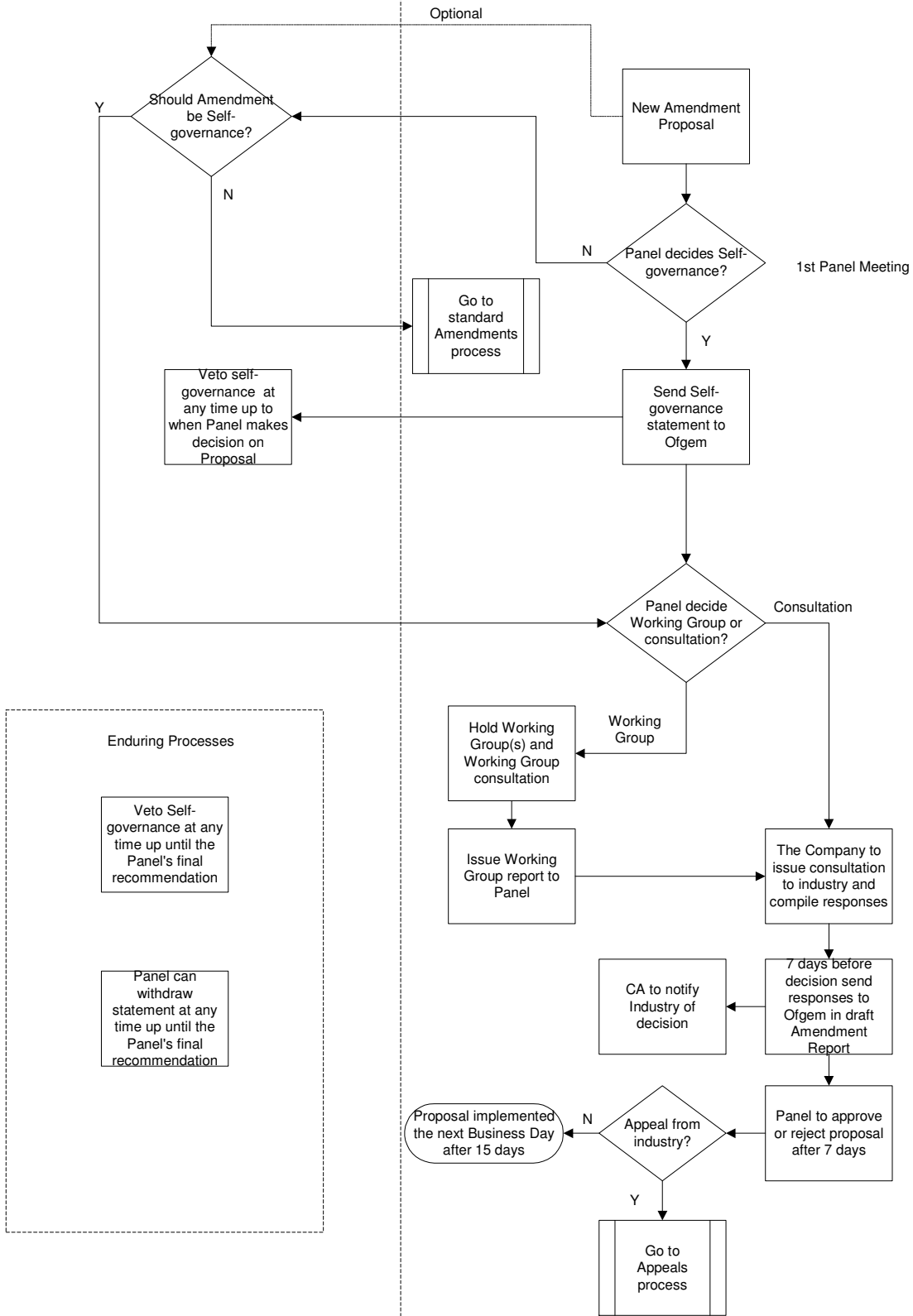
(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. 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 Electricity Transmission plc Licence under Standard Condition C10, paragraph 1. Reference should be made to this section when considering a proposed amendment.

Self-governance

Ofgem

Licensee/CUSC/BSC Parties/NCC



Self-governance appeals

