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Abid Sheikh
Industry Codes Manager
Ofgem
By email

18 March 2016

Dear Abid

CUSC Modifications Panel Views on Urgency for CMP262 ‘Removal of SBR/DSBR Costs from BSUoS into a “Demand Security Charge”.

On 10 March 2016, VPI Immingham raised CMP262, with a request for the proposal to be treated as an Urgent CUSC Modification Proposal. The CUSC Modifications Panel ("the Panel") considered CMP262 and the associated request for urgency at the CUSC Modifications Panel meeting held on 18 March 2016. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

Request for Urgency

The Panel considered the request for urgency with reference to Ofgem's Guidance on Code Modification Urgency Criteria. The majority view of the Panel is that CMP262 SHOULD be treated as an Urgent CUSC Modification Proposal.

In the discussion, members of the Panel noted a few concerns over not granting urgency, set out below;

- In order to meet the November deadline for the implementation of this modification it would need to be treated as urgent otherwise there would be little value in establishing a Workgroup
- The CUSC Panel recognised that although there were a lot of issues that need to be addressed by the Workgroup, many of these could be sourced from existing evidence gathered in current modifications that were being progressed by the industry.
- It would be difficult to fully assess whether CMP262 fully met Urgency Criteria ‘a) **A significant commercial impact** on parties, consumers or other stakeholder(s)’ without fully understanding material impact which could only be assessed once the Workgroup is formed and able to articulate this position.

Procedure and Timetable

Having decided to recommend urgency to Ofgem, the Panel discussed an appropriate process for CMP262. The Panel agreed that CMP262 would require a Workgroup and subject to Ofgem’s decision on Urgency should follow the attached timetable. This was agreed by majority view.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Toms', with a stylized flourish at the end.

Michael Toms
CUSC Panel Chair

Appendix: Proposed timetable

10 March 2016	CUSC Modification Proposal and request for Urgency submitted
18 March 2016	CUSC Panel meeting to consider proposal and urgency request
21 March 2016	Panel's view on urgency submitted to Ofgem for consultation
18 March 2016	Request for Workgroup members (7 Working days)
29 March 2016	Ofgem's view on urgency provided
w/c 11 April 2016	Workgroup meeting 1
w/c 25 April 2016	Workgroup meeting 2
16 May 2016	Workgroup Consultation issued (10 Working days)
30 May 2016	Deadline for responses
w/c 6 June 2016	Workgroup meeting 3
16 June 2016	Workgroup report issued to CUSC Panel
24 June 2016	Panel meeting to approve WG Report
5 July 2016	Code Administrator Consultation issued (15 Working days)
26 July 2016	Deadline for responses
4 August 2016	Draft FMR published for industry comment (5 Working day)
11 August 2016	Deadline for comments
18 August 2016	Draft FMR circulated to Panel
26 August 2016	Panel meeting for Panel recommendation vote
7 September 2016	FMR circulated for Panel comment (5 Working day)
14 September 2016	Deadline for Panel comment
20 September 2016	Final report sent to Authority for decision
18 October 2016	Indicative Authority Decision due (20 Working days)
1 November 2016	Implementation date