



National Grid

CONSULTATION DOCUMENT

CAP008

Codification Errors

The purpose of this document is to consult on Amendment Proposal CAP008 with CUSC Parties and other interested Industry members

Amendment Ref	CAP008
Issue	1.0
Date of Issue	6 March 2002
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	27/2/02	National Grid	Initial Draft for internal comment
1.0	6/3/02	National Grid	Formal version for release

b Document Location

National Grid website:

http://www.nationalgridinfo.co.uk/cusc/mn_consultation_index.html

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

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1.0 Executive Summary

- 1.1 British Energy, with support from other Parties (as detailed in the Amendment Proposal form), submitted CUSC Amendment Proposal CAP008 to the Amendments Panel for consideration at their 9th November 2001 meeting. The Amendments Panel determined that CAP008 should be evaluated further by a Working Group and set Terms of Reference to review the Amendment Proposal and report back to the 22nd February 2002 meeting.
- 1.2 The Proposed Amendment recommends that there is a need to recognise and provide for the correction of any “codification errors” that might arise in the future from the process of migration from the MCUSA to the CUSC.
- 1.3 The Governance Amendments Working Group (GAWG) evaluated the Amendment Proposal against the applicable CUSC objectives but were unable to reach agreement. Although there was support within the Working Group for the issue raised by the CAP008, it was noted by members that the effect of the Proposal would be to set the applicable CUSC objectives to one side in the case of Codification Errors. One member felt that the Amendment Proposal must fail, but this view was not supported by all the Group members.
- 1.4 The Working Group delivered its Report to the Panel Secretary on 8th February 2002 in preparation for the February CUSC Panel meeting. The Amendments Panel acknowledged the work undertaken by the Working Group and agreed that they had satisfied the Terms of Reference and that National Grid should undertake wider Industry consultation.
- 1.5 This document initiates the wider industry consultation process and invites views on CUSC Amendment Proposal CAP008. The consultation closing date is **8th April 2002**.

2.0 Introduction

- 2.1 This consultation document is issued by National Grid under the procedures specified in the Connection and Use of System Code (CUSC). It addresses issues associated with the Proposed Amendment which proposes to include a mechanism in Section 10 of the CUSC to provide for the correction of any “codification errors” arising from the codification from the MCUSA to the CUSC.
- 2.2 Further to the submission of Amendment Proposal CAP008, and the subsequent evaluation by the CUSC Governance Amendments Working Group (GAWG), this document seeks views from industry members relating to the Amendment Proposal.
- 2.3 This document outlines the discussions held by the Working Group and the nature of the CUSC changes that are proposed. Representations received in response to this consultation document will be included in National Grid’s Amendment Report that will be furnished to the Authority for their decision.
- 2.4 This consultation document 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>, along with the Working Group Report for CAP008 and the Amendment Proposal form.

3.0 The Amendment Proposal

- 3.1 CAP008 proposes the introduction of a method to correct any codification errors that are unintended changes in effect arising from the migration process from the MCUSA to the CUSC and will only emerge on the future operation of the CUSC. It proposes to establish the concept of codification errors in order to permit specific categories of amendment to be addressed and rectified.
- 3.2 CAP008 would require amendment to Section 10 of the CUSC – “Transitional Issues”, to provide for the recognition and correction of such codification errors with the content of the CUSC (at the CUSC Implementation Date), which, when compared with the MCUSA source documentation, give rise to a different effect as a result of the interpretation applied.

4.0 Working Group Discussions

- 4.1 The views and opinions of Governance Amendments Working Group were diverse as to whether the Proposed Amendment better facilitated the CUSC objectives.
- 4.2 Several Working Group members did not support the Proposed Amendment, as it would set aside the applicable CUSC objectives for certain categories of CUSC change (Codification Errors). It was argued that it would not be possible for the Proposed Amendment to better facilitate achievement of the applicable CUSC objectives as it proposes to set them aside and therefore CAP008 could not be supported. The view of some members was also that there were already existing provisions for amendment within the CUSC and that these should be exercised where differences are identified between the MCUSA and the CUSC. In this way such errors can be presented and assessed against the CUSC objectives, so that if the amendment of a codification error better met the objectives it would be made, and conversely if it did not better meet the objectives it would not be made.
- 4.3 Supporters of the Proposed Amendment argued that acknowledging the issue now and providing a process for its management would avoid excessive time and resource at a later date if and when such errors were found. The view was put forward that the CAP008 would better facilitate achievement of the applicable CUSC objectives on the grounds of efficiency. The Proposer noted the ‘letters of comfort’ that had been offered to CUSC Parties for the bilateral agreements, and put forward the view that the Proposed Amendment would extend this into the CUSC to provide further assurance.
- 4.4 There was some concern about the process of dealing with codification errors. Questions were raised within the Group regarding the identification and agreement of what would constitute such an error, which would need to be agreed by all parties and set out in the CUSC. Some Working Group members were also concerned as to what the appropriate objectives against which codification errors would be assessed, if any.
- 4.5 Issues of how a codification error would interact with other amendments to the CUSC were also raised and some Working Group members argued that as the CUSC is a live document, rectification of a codification error may not ‘fit’ with any revised versions. This would also create uncertainty to Users and new entrants, who would need to be aware of both the CUSC and the

MCUSA to understand how their rights and obligations might change in the future.

- 4.6 The Working Group members fully supported the intent of the Proposed Amendment and acknowledged that there may be unintended differences in codification between the MCUSA and the CUSC as implemented. However, they did not believe that it was possible or appropriate for this issue to be addressed by specific provisions within the CUSC framework.

Summary of Working Group Discussion

- 4.7 The Working Group evaluated the Proposed Amendment against the applicable CUSC objectives but was unable to reach unanimous agreement. Although there was support within the Working Group for the issue raised by the Amendment Proposal, the Group noted that the effect of the Amendment Proposal would be to set the applicable CUSC objectives to one side in the case of Codification Errors. Some members therefore felt that the Proposal must fail; however this view was not supported by all members.

5.0 Initial View of Amendments Panel

- 5.1 The view of the Amendments Panel on the way forward for CAP008 is that National Grid should initiate a period of wider consultation in order to seek industry views on whether the Amendment Proposal better facilitates achievement of the applicable CUSC objectives.

6.0 Initial View of National Grid

- 6.1 National Grid believes that CAP008 should not be implemented. This is on the basis that it is not possible for the Proposed Amendment to better facilitate the applicable CUSC objectives as it is proposing that they be set aside. In addition, the CUSC already contains provision for amendment, set out in Section 8, and therefore any differences identified between the MCUSA and the CUSC can progress through this process, where they can be properly assessed against the applicable CUSC objectives and can then be approved or rejected on that basis.

7.0 Views Invited

- 7.1 National Grid is seeking the views of interested parties relating to this Amendment Proposal CAP008.
- 7.2 Please send your responses to this consultation document to National Grid by no later than close of business on **8th April 2002**.
- 7.3 Please address all comments to the following e-mail address:
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Or alternatively, comments may be addressed to:

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