

**VERSION FOR INDUSTRY
CONSULTATION**

Responses should be sent to
bali.virk@uk.ngrid.com
on or before
5th December 2007

PROPOSED AMENDMENT REPORT

STC Proposed Amendment CA028

Amendment to Governance Framework Timescales

*The purpose of this report is to assist the Authority
in their decision of whether to implement
Amendment Proposal CA028*

Amendment Ref	CA028
Issue	1.0
Date of Issue	21 st November 2007
Prepared by	STC Committee

I DOCUMENT CONTROL**a STC Document Control**

Version	Date	Author	Change Reference
0.1	16/10/07	STC Committee	Draft for STC Committee
1.0	21/11/07	STC Committee	Draft for Industry Consultation
1.1	21/11/07	STC Committee	Draft for Industry Consultation

b Document Location

National Grid Website:

<http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/>

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
STC Parties	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	

II CONTENTS TABLE

I	DOCUMENT CONTROL.....	2
	a STC Document Control	2
	b Document Location	2
	c Distribution	2
II	CONTENTS TABLE.....	3
1.0	SUMMARY AND RECOMMENDATION.....	4
2.0	PURPOSE AND INTRODUCTION	4
3.0	THE PROPOSED AMENDMENT	4
4.0	ALTERNATIVE AMENDMENTS	5
5.0	EVALUATION PHASE.....	5
6.0	STC PARTIES' ASSESSMENTS	5
7.0	IMPACT ON THE STC.....	5
8.0	IMPACT ON CORE INDUSTRY DOCUMENTS	6
9.0	STC COMMITTEE VIEWS AND RECOMMENDATION	6
10.0	IMPLEMENTATION AND TIMESCALES.....	6
11.0	INDUSTRY VIEWS AND REPRESENTATIONS.....	6
	ANNEX 1 - AMENDMENT PROPOSAL FORM	7
	ANNEX 2 – PROPOSED TEXT TO AMEND THE STC	9
	ANNEX 3 - COPIES OF COMMENTS RECEIVED ON THE PROPOSED AMENDMENT REPORT.....	10

1.0 SUMMARY AND RECOMMENDATION

- 1.1 STC Amendment Proposal CA028 proposes to amend Section B (Governance) to enable Users more time during a consultation period to consider and respond to Proposed Amendments that may impact Users.
- 1.2 Amendment Proposal CA028 was proposed by National Grid Electricity Transmission plc ("National Grid") and submitted for consideration to the STC Committee Meeting on Tuesday, 18th September 2007. The Committee recommended that it proceed directly to the Assessment and Report Phase.

STC Committee Provisional Recommendation

- 1.3 The STC Committee provisionally recommends that CA028 be approved for implementation.
- 1.4 Should the Authority approve CA028, the STC Committee provisionally recommends that the STC be modified 5 business days after the Authority's decision.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Proposed Amendment Report has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code. It addresses the concern of Users that 10 Business Days currently allowed to consider and respond to Proposed Amendments that may affect Users under Section B of the STC is not sufficient time.
- 2.2 Further to the submission of Amendment Proposal CA028 (see Annex 1), this document is addressed and furnished to persons who have a relevant interest in the Proposed Amendment and invites views upon Amendment Proposal CA028.
- 2.3 This document outlines the nature of the STC changes that are proposed. It incorporates the STC Committee's provisional recommendation concerning the Amendment.
- 2.4 This Proposed Amendment Report has been prepared in accordance with the terms of the STC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/>.

3.0 THE PROPOSED AMENDMENT

- 3.1 It is proposed to amend the STC such that the maximum period for consultation, currently 10 Business Days, is revised to 1 month.
- 3.2 As a consequence of amending the maximum period for consultation to 1 month, it is proposed that the maximum Assessment and Report Phase described in Section B, paragraph 7 of the STC, is extended to 5 months unless otherwise agreed by the Authority.
- 3.3 It is proposed to amend Section B of the STC to include the proposed maximum time scales.

- 3.4 The final proposed legal text to give effect to Amendment Proposal CA028 is attached as Annex 2 of this document.

4.0 ALTERNATIVE AMENDMENTS

- 4.1 No Alternative Amendments to CA028 were submitted.

5.0 EVALUATION PHASE

- 5.1 The STC Committee considered that CA028 should be referred directly to the Assessment and Report Phase, and that an Evaluation Phase was not therefore required.

6.0 STC PARTIES' ASSESSMENTS

- 6.1 This section sets out the analysis and impact assessment ("Assessment") provided by STC Parties during the Assessment and Report Phase in respect of the Proposed Amendment, in accordance with Section B, Paragraph 7.2.5.2 of the STC.

National Grid Assessment

- 6.2 National Grid is supportive of Amendment Proposal CA028, and has carried out an Assessment on the Proposed Amendment.
- 6.3 The implementation of CA028 would not have any physical impact on National Grid's Transmission System or require changes to IS systems. No additional works or monies would be required to implement the proposed change.

Scottish Hydro-Electric Transmission Limited ("SHETL") Assessment

- 6.4 SHETL is supportive of Amendment Proposal CA028, and has undertaken a review of any implications resulting from its adoption.
- 6.5 The implementation of CA028 will have no significant impact on the SHETL Transmission system or any information systems.

Scottish Power Transmission Limited ("SPTL") Assessment

- 6.6 SPTL is supportive of the Amendment Proposal CA028 and has carried out a relevant assessment which confirms that there is no physical impact to SP Transmission's network, nor are there any changes required to existing IT systems. It is not expected that any additional works or monies would be required to implement the proposed amendment.

7.0 IMPACT ON THE STC

- 7.1 The Proposed Amendment would require amendments to Section B (Governance), Paragraph 7.2.5.9 and Paragraph 7.2.5.1 such that the provisions reflect the maximum allowable timescales for the consultation period and for the Assessment and Report Phase.
- 7.2 The text required to give effect to the Proposed Amendment is contained as Annex 2 of this document.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 8.1 The Proposed Amendment would have no impact on Core Industry Documents or other industry documentation or require any changes to computer systems established under Core Industry Documents.

9.0 STC COMMITTEE VIEWS AND RECOMMENDATION

- 9.1 The STC Committee believes that amendment of the STC on the basis on CA028 would better facilitate achievement of the applicable STC objectives, in particular applicable STC objective (a) as it would enable the efficient discharge by the STC Parties of the obligations imposed upon them by their transmission licences and the Act.
- 9.2. The implementation of CA028 would also better facilitate achievement of applicable STC objective (e), as by increasing the consultation period for users to consider and respond to Proposed STC Amendments it would enable licensees to promote good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.
- 9.3 The STC Committee therefore provisionally recommends that the Authority should approve Amendment Proposal CA028 for implementation.

10.0 IMPLEMENTATION AND TIMESCALES

- 10.1 Should the Authority approve Amendment Proposal CA028, it is recommended that the STC be modified 5 business days after the Authority's decision

11.0 INDUSTRY VIEWS AND REPRESENTATIONS

- 11.1 Views are invited from industry parties upon the Proposed Amendment outlined in this Proposed Amendment Report.
- 11.2 Any representations received will be summarised in Section 11 of the Amendment Report submitted to the Authority (version 2.0 of this document), and will be reproduced in Annex 3.

Annex 1 - Amendment Proposal Form**STC Amendment Proposal Form**
CA028

<p>1. <u>Title of Amendment Proposal</u></p> <p>Amendment to the governance framework timescales.</p>
<p>2. <u>Description of the Proposed Amendment</u> (mandatory field)</p> <p>Amend Section B (Governance) to:</p> <ul style="list-style-type: none"> a. Increase the maximum period for industry comments to be received regarding Proposed Amendment Reports to be 1 month (consultation period); b. increase the maximum period for Assessment and Report Phase to 5 months from it's initiation; <p>This amendment will retain the requirement for the STC Committee secretary to post the Proposed Amendment on the website once the STC Committee have approved it</p> <p>This amendment has been written to enable Users more time during a consultation period to consider and respond to Proposed Amendments that will impact Users.</p>
<p>3. <u>Description of Issue or Defect that Proposed Amendment seeks to Address</u> (mandatory field)</p> <p>It has been highlighted that the maximum allowable consultation period for STC Amendments, currently set at 10 Business Days, may not provide sufficient time for non-STC parties to assess the implications of the proposal and respond to the STC Committee Secretary.</p> <p>The length of the consultation period is currently factored into the overall timescale provision for progressing an STC Amendment through the Assessment and Report Phase of the governance process in Section B of the STC. Any changes to the consultation period would have to be adequately reflected into such overall timescale.</p> <p>Note: The STC Procedures are not subject to the same amendment process specified for the main STC and, as such, do not undergo an industry consultation.</p>
<p>4. <u>Impact on the STC</u> (information should be given where possible)</p> <p>Amend Section B, Governance, Paragraph 7.2.5.9 and Paragraph 7.2.5.1</p>
<p>5. <u>Impact on other frameworks e.g. CUSC, BSC</u> (information should be given where possible)</p> <p>None</p>
<p>6. <u>Impact on Core Industry Documentation</u> (information should be given where possible)</p> <p>None</p>
<p>7. <u>Impact on Computer Systems and Processes used by STC Parties</u> (information should be given where possible)</p> <p>None</p>
<p>8. <u>Details of any Related Modifications to Other Industry Codes</u> (where known)</p> <p>None</p>
<p>9. <u>Justification for Proposed Amendment with Reference to Applicable STC Objectives</u> (mandatory field)</p>

Amending the STC in this manner would mean that the Transmission Owners would continue to be able to efficiently discharge the obligations imposed on them by transmission licences and the Act. It would also facilitate the development of an efficient, economic coordinated system of electricity transmission.

Details of Proposer Organisation's Name	National Grid Electricity Transmission plc
<i>Capacity in which the Amendment is being proposed</i> (i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))	STC Party
Details of Proposer's Representative Name Organisation Telephone Number Email Address	Bec Thornton National Grid Electricity Transmission plc 01926 656386 Bec.thornton@uk.ngrid.com
Details of Representative's Alternate Name Organisation Telephone Number Email Address	Lilian Macleod National Grid Electricity Transmission plc 01926 656368 Lilian.macleod@uk.ngrid.com
Attachments (Yes/No): No	

Notes:

- Those wishing to propose an Amendment to the STC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 7.2 of the STC.
- The Committee Secretary will check that the form has been completed, in accordance with the requirements of the STC, prior to submitting it to the Committee. If the Committee Secretary accepts the Amendment Proposal form as complete, then she/he will write back to the Proposer informing them of the reference number for the Amendment Proposal and the date on which the Committee will consider the Proposal. If, in the opinion of the Committee Secretary, the form fails to provide the information required in the STC, then he/she may reject the Proposal. The Committee Secretary will inform the Proposer of the rejection and report the matter to the Committee at their next meeting. The Committee can reverse the Committee Secretary's decision and if this happens the Committee Secretary will inform the Proposer.

The completed form should be returned to:

Bali Virk
STC Committee Secretary
Commercial Frameworks
National Grid Company plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

Annex 2 – Proposed Text to Amend the STC

Annex 3 - Copies of Comments Received on the Proposed Amendment Report

This Annex includes copies of any representations received following circulation of the Proposed Amendment Report (circulated on [date], requesting comments by close of business on [date]).

Representations were received from the following parties:

No.	Company	File Number
1		CA028-AR-01