



National Grid

AMENDMENT REPORT

CUSC Proposed Amendment CAP007

Role of Standing Group

The purpose of this document is for submission to the Authority to assist in their decision on CAP007

Amendment Ref	CAP007
Issue	1.0
Date of Issue	9 May 2002
Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	10/4/02	National Grid	Draft for Industry comment
0.2	30/4/02	National Grid	Second Draft for Industry comment
1.0	9/5/02	National Grid	Formal version for submission to the Authority

b Document Location

National Grid Website:

<http://nationalgrid.com/uk/indinfo/cusc>

c Distribution

Name	Organisation
Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

II CONTENTS TABLE

I DOCUMENT CONTROL 2

 a National Grid Document Control 2

 b Document Location..... 2

 c Distribution 2

II CONTENTS TABLE 3

1.0 SUMMARY AND RECOMMENDATIONS 4

2.0 PURPOSE AND SCOPE OF THE REPORT 5

3.0 THE PROPOSED AMENDMENT 5

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES..... 5

5.0 IMPACT ON THE CUSC 6

6.0 ALTERNATIVE AMENDMENT 6

7.0 IMPACT ON CORE INDUSTRY DOCUMENTS..... 7

8.0 IMPACT ON CUSC PARTIES 7

9.0 IMPLEMENTATION AND TIMESCALES 7

10.0 SUMMARY OF VIEWS AND REPRESENTATIONS 7

11.0 SUMMARY OF PANEL MEMBERS VIEWS..... 9

12.0 NATIONAL GRID RECOMMENDATION 9

ANNEX 1 - AMENDMENT PROPOSAL FORM..... 10

ANNEX 2 – PROPOSED TEXT TO MODIFY CUSC 13

 Part A - Text to give effect to the Proposed Amendment..... 13

 Part B - Text to give effect to the Alternative Amendment 15

ANNEX 3 – COPIES OF REPRESENTATIONS RECEIVED 17

1.0 SUMMARY AND RECOMMENDATIONS

Summary

- 1.1 CAP007 proposes to amend the role of Standing Groups in the CUSC Amendment Process to permit them to comment on Amendment Proposals so that as a body of experts their views can be included in the Amendment Report. The Proposed Amendment also proposes to enable the CUSC Amendments Panel to action an existing Standing Group to consider an Amendment Proposal, in addition to setting up a Working Group.
- 1.2 Amendment Proposal CAP007 was proposed by British Energy, with support from other Parties (as detailed in the Amendment Proposal form, contained in Annex 1) and was submitted for consideration to the CUSC Amendments Panel Meeting on 9th November 2001. At the meeting, the Panel determined that a Working Group should be established to consider the Proposal.
- 1.3 The Governance Amendments Working Group (GAWG) supported the need to clarify the role of Standing Groups, but were not able to agree whether the Proposed Amendment better facilitated the applicable CUSC objectives. The Group formulated an Alternative Amendment which was supported unanimously against the applicable CUSC objectives.
- 1.4 The Working Group Report for CAP007 was submitted for consideration at the February 2002 Panel meeting, where it was determined that the Working Group had met their Terms of Reference and the Working Group Report was approved. The CUSC Panel instructed National Grid to initiate a period of wider industry consultation for the Amendment Proposal and the Alternative Amendment.
- 1.5 The Consultation Paper for CAP007 was published by National Grid on the CUSC website and copies sent to Core Industry Document Owners and CUSC Parties. Responses to the CAP007 Consultation were invited by 4th April 2002.
- 1.6 National Grid received a total of 8 responses to the consultation for CAP007, the majority of which supported the Alternative Amendment as drafted. A summary of responses is contained in Section 10 of this document, with full copies of each response attached as Annex 3.

National Grid Recommendation

- 1.7 National Grid recommends that the Alternative Amendment be approved on the basis that it better facilitates achievement of the Applicable CUSC Objectives. It is recommended that implementation takes place with effect from 10 days after the Authority's decision.

2.0 PURPOSE AND SCOPE OF THE REPORT

- 2.1 This Amendment Report has been 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. Section 8.20 of the CUSC sets out the mandatory information to be contained in an Amendment Report.
- 2.2 This document details the nature of the CUSC changes proposed by CAP007 and includes the recommendation of National Grid. It also includes an indication of issues which arose from the industry consultation, and a summary of views from Panel Members. Copies of each of the responses to the consultation are included as Annex 3 to this document.

3.0 THE PROPOSED AMENDMENT

- 3.1 The principle changes for CAP007 involve enabling a Standing Group to (i) provide a view to the Amendments Panel as necessary, (ii) to provide a view as a body of experts during the consultation process, to be included in the Amendment Report to the Authority, and (iii) to provide a view to a Working Group which has been separately established to evaluate an Amendment Proposal. CAP007 proposes to clarify and extend the options open to the Amendments Panel to action either or both a Working Group and a Standing Group to consider an Amendment Proposal.
- 3.2 The Proposed Amendment is intended to deal with a perceived restriction in the role of Standing Groups as currently prescribed in the CUSC. It is argued that in many cases there is a need for a Standing Group to provide both expert input into the evaluation of Amendment Proposals and also the formulation of detailed mechanisms for Amendment Proposals.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 4.1 In relation to the Proposed Amendment, which details changes to Section 8 of the CUSC, the objectives of Paragraph 6 of Licence Condition C7F of the Transmission Licence, is the relevant objective. In summary, Paragraph 6 requires the licensee to establish and operate procedures to modify the CUSC itself in order to better facilitate the Applicable CUSC Objectives and therefore the Proposed Amendment must better facilitate this process so that the broader objectives of facilitating effective competition can be achieved.
- 4.2 The principle of increasing the role of and remit of Standing Groups for the consideration of Amendment Proposals was supported by the Governance Amendments Working Group. However, the Working Group as a whole did not support making Standing Groups independent to comment on Amendment Proposals, and felt that they should remain under the clear direction of the Amendments Panel.
- 4.3 Currently Standing Groups have a specific remit and fixed timetable to review tasks allocated to it by the Amendments Panel, which are areas of the CUSC that require "reviewing" for which an Amendment Proposal has not been raised. In addition an existing Standing Group may be actioned by the Amendments Panel to evaluate an Amendment Proposal acting as a Working Group. The current CUSC does not provide for Standing Groups to meet independently on an ongoing basis. Although one Working Group member felt that there may be merit in establishing groups of experts who met

regularly and to whom Amendment Proposals can be referred for evaluation, rather than constituting Working Groups on each occasion.

- 4.4 There was concern that the Proposed Amendment would enable both the Working Group and a Standing Group to provide views on an Amendment Proposal without a clear lead responsibility, which may cause potential conflict and confusion along with the potential for duplication of work. There was also concern over the proposal to give Standing Groups the remit to comment on an Amendment Proposal that the Amendments Panel has not actioned it to consider. It was considered that the views of a Standing Group should carry no greater weight than any other views submitted to a consultation.

5.0 IMPACT ON THE CUSC

- 5.1 The Proposed Amendment would require amendment of the following paragraphs of Section 8 of the CUSC, 8.16.5, 8.17.1 and 8.19.1. There will be no impact on other parts of the CUSC.
- 5.2 The text required to give effect to the Proposed Amendment is included as Part A of Annex 2 of this document.

6.0 ALTERNATIVE AMENDMENT

Description of Alternative Amendment

- 6.1 The Alternative Amendment was formulated by the Governance Amendments Working Group during their consideration of the Proposed Amendment.
- 6.2 The Alternative Amendment gives the CUSC Amendments Panel the ability to consult other groups established by it as and when required. It also proposes that control over this consultation should remain with the Amendments Panel, rather than allowing Standing Groups to consider and comment on Amendment Proposals independently.

Assessment Against Applicable CUSC Objectives

- 6.3 The Alternative Amendment was supported by the Working Group as better facilitating the Applicable CUSC Objectives as compared to the Proposed Amendment.
- 6.4 The Alternative Amendment increases the effectiveness of the Amendment Process by recognising the importance of allowing flexibility in the process for evaluating proposals and the benefits of the ability for the Amendments Panel to consult expert groups. It also removes the potential scope for duplication of work or confusion of responsibilities in the process, which may be present in the Proposed Amendment.

Impact of Alternative Amendment on CUSC

- 6.5 The Alternative Amendment would require the amendment of the following paragraphs of Section 8 of the CUSC, 8.17.1 and 8.19.1. There will be no impact on other parts of the CUSC.

- 6.6 The text required to give effect to the Alternative Amendment is included as Part B of Annex 2 of this document.

7.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 7.1 The Proposed Amendment and Alternative Amendment will have no impact on Core Industry Documents or other industry documentation.

8.0 IMPACT ON CUSC PARTIES

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

9.0 IMPLEMENTATION AND TIMESCALES

- 9.1 There is no impact associated with the timing of the implementation of the Proposed Amendment or Alternative Amendment and is therefore it is recommended that implementation takes place with effect from 10 days after the Authority's decision.

10.0 SUMMARY OF 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 and the Alternative Amendment.

Views of Panel Members

- 10.2 No formal responses have been submitted to the consultation by members of the Amendments Panel.

Core Industry Document Owners

- 10.3 No responses have been submitted by Core Industry Document Owners to the wider industry consultation carried out for CAP007.

Responses to Consultation

- 10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP007-CR-01	TXU Europe Energy Trading Ltd	No	Support Alternative Amendment.
CAP007-CR-02	British Energy	Of Both	The Alternative Amendment retains the intent of the Proposed Amendment, but does not extend the role of Standing Groups as far as the Proposed Amendment intended.

Reference	Company	Supportive	Comments
CAP007-CR-03	London Electricity Group	No	Supportive of generic change proposed by Proposed Amendment, but prefer Alternative Amendment.
CAP007-CR-04	Powergen UK plc	No	Supportive of Alternative Amendment as it clarifies the role of Standing Groups and allows flexibility.
CAP007-CR-05	EdF Trading Ltd & EdF (Generation)	No	Support Alternative Amendment to increase flexibility in the arrangements.
CAP007-CR-06	Elexon Ltd	No	Support Alternative Amendment as clarifying role of Standing Groups.
CAP007-CR-07	ScottishPower Energy Retail Ltd & Scottish Power Generation Ltd	No	Support Alternative Amendment as the Proposed Amendment could lead to confusion.
CAP007-CR-08	British Gas Trading Ltd	No	Support Alternative Amendment in principle, but have concerns over groups of 'independent experts' being continually available.

- 10.5 National Grid received a total of 8 responses to the consultation on CUSC Amendment CAP007. Of the total responses, 7 supported the Alternative Amendment as drafted as better facilitating the Applicable CUSC Objectives. One respondent supported both the Proposed Amendment and the Alternative Amendment, and felt that the Alternative Amendment was a pragmatic compromise to the Proposed Amendment. Another respondent supported the generic change proposed by the Proposed Amendment, but preferred the Alternative Amendment as it would protect against potential abuse by a Standing Group of its powers.
- 10.6 One respondent supported the Alternative Amendment in principle (and did not support the Proposed Amendment), but felt that the role of Standing Groups warranted further review separately within the CUSC.
- 10.7 One respondent particularly felt that the Proposed Amendment would lead to duplication of work and ambiguity, although another respondent felt that such concerns could be addressed by the Standing Group's Terms of Reference set by the Amendments Panel.
- 10.8 The majority of respondents believed that the Alternative Amendment would better facilitate the Applicable CUSC Objectives as it would increase flexibility and clarity in the process for Standing Groups. Respondents also felt that the Applicable CUSC Objectives were better achieved by keeping Standing Groups within the remit of the Amendments Panel.

National Grid View

- 10.9 National Grid notes the views of the majority of respondents in support of the Alternative Amendment.
- 10.10 National Grid agree with the majority of responses that the Proposed Amendment could lead to ambiguity and duplication of work and that the

Alternative Amendment would address these concerns by keeping Standing Groups under the clear control of the Amendments Panel.

- 10.11 National Grid note the view of one respondent in support of a separate review of the role of Standing Groups and note that such a review could be incorporated into the terms of reference of the Governance Standing Group.

11.0 SUMMARY OF PANEL MEMBERS VIEWS

- 11.1 On the basis of the consultation and assessment undertaken in respect of CUSC Amendment Proposal CAP007, it was the opinion of those CUSC Amendments Panel Members expressing a view, that the Alternative Amendment (as outlined in the Amendment Report) should be implemented to the time-scales as recommended.

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid recommends that the Proposed Amendment should not be implemented. This is on the basis that it would not better facilitate the Applicable CUSC Objectives to give generic powers to a Standing Group to comment on Amendment Proposals, which could potentially cause conflict, confusion and duplication of work between groups.
- 12.2 It is the recommendation of National Grid that the Alternative Amendment better facilitates achievement of the Applicable CUSC Objectives as it allows Standing Groups to remain within the remit of the Panel and enables more flexibility in the process for the Amendments Panel to consult with Standing Groups it has set up.

Annex 1 - Amendment Proposal Form

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 CUSC 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 Proposer will be informed by the Panel Secretary.

The completed form should be returned to:

Mark Cox

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

(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 which is a CUSC Party shall be deemed to have granted this Licence.)

Proposers Name:

(Name of party making the proposal. An Amendment Proposal may be made by a CUSC Party, a BSC Party or by "energywatch")

British Energy Generation Ltd

Proposers Representative:

(The name of the person representing the Proposer (and his alternate) for the purposes of the Amendment Process)

Steve Phillips (alternate John Capener)

Organisations Name and Address:*(Organisation on whose behalf the Amendment is proposed)*

British Energy Generation Limited, Barnett Way, Barnwood,
Gloucester, GL4 3RS

In addition to BEGL, the following CUSC Parties listed alphabetically below are joint sponsors for this Amendment Proposal:

1. AES Drax Power Limited Selby, North Yorkshire, YO8 8PQ
2. Barking Power Ltd Barking Power Station, Chequers Lane, Dagenham, RM6 6PF
3. Deeside Power Development Company Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4DP
4. Enron Direct Limited Enron House, 40 Grosvenor Place, London, SW1X 7EN
5. First Hydro Company Bala House, Lakeside Business Village, St. David's Park, Deeside, Flintshire, CH5 3XJ
6. Humber Power Limited South Humber Bank Power Station, South Marsh Road, Stallingborough, North East Lincolnshire, DN41 8BZ
7. Teesside Power Limited Dunedin House, Columbia Drive, Thornaby, Stockton On Tees, Cleveland, TS17 6 BJ

Capacity in which the Organisation Proposes to make an Amendment:*(i.e. CUSC Party, BSC Party or "energywatch")*

CUSC Party

Description of the issue or defect which the proposed Amendment seeks to address:*(This should be in reasonable, but not excessive detail)*

The currently prescribed role of a Standing Group is too restrictive and a Standing Group is beholden to the Amendment Panel for its terms of reference which may or may not permit the Standing Group to respond to a consultation as a body (8.19.1). A Standing Group should not have such a restriction placed upon it and should be afforded the right to provide an informed response to any consultation which is within the scope of its terms of reference. In many cases there is a need for both an industry Standing Group to provide expert input into the evaluation and formulation of the detailed mechanisms for an Amendment Proposal and for input from a Working Group which is able to provide a wider perspective of the impact on connection and use of system developments. .

Description of the proposed Amendment and of its nature and purpose:*(This should be in reasonable but not excessive detail)*

1. To make it clear that the Amendments Panel can action either/both a Working Group and a Standing Group in relation to a particular Amendment Proposal.
2. To enable Standing Groups as expert groups to comment on all Amendment Proposals so that their views as a body can be provided as a matter of course in relation to a Standing Group's area of expertise. and thus be included in the Amendment Report

An indication of those parts of the CUSC which would require amendment in order to give effect to (or would otherwise be affected by) the proposed amendment and an indication of the nature of those amendments or effects.

(This should be given where possible)

Please refer to the attachment for suggested, indicative changes/additions to be incorporated to appropriate clauses of section 8 of the CUSC to give effect to the proposed amendment.

Please note that it is the principle of the Amendment Proposal that is to be reviewed and approved by an appropriate review/consultation process to be decided by the CUSC Amendment Panel.

This indicative text is a suggested solution which may or may not be considered exhaustive in its detail and scope.

Reasons why the Proposer believes that the proposed Amendment would better facilitate achievement of the Applicable CUSC Objectives as compared with the current version of the CUSC with background information in support thereof.

The Proposer considers that the proposed amendment would better facilitate achievement of the Applicable CUSC Objectives since it would better facilitate a more comprehensive evaluation of Amendment Proposals.

An indication of the impact of the proposed Amendment on Core Industry Documents.

(This should be given where possible)

None

An indication of the impact of the proposed Amendment on relevant computer systems and processes used by CUSC Parties.

(This should be given where possible)

None

A statement to the effect that the Proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel a Proposer shall grant a Licence in accordance with Clause 8.15.7 of the CUSC.

(A signature to this effect must be given by a Proposer, which is not a CUSC Party)

Proposer is a CUSC Party

Annex 2 – Proposed Text to modify CUSC

Part A - Text to give effect to the Proposed Amendment

Conformed Version

1. Panel Proceedings

8.16.5 In relation to each **Amendment Proposal**, the **Amendments Panel** shall determine at any meeting of the **Amendments Panel** whether to:

- (b) establish a **Working Group** (including if appropriate identifying and actioning a **Standing Group**) of the **Amendments Panel**, to consider the **Proposed Amendment**; or

2. Working Groups

8.17.1 If the **Amendments Panel** has decided not to proceed directly to wider consultation by **NGC**, a **Working Group** will be established, and/or an existing **Standing Group** identified and actioned, by the **Amendments Panel** to assist the **Amendments Panel** in evaluating whether an **Amendment Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether an **Alternative Amendment** would, as compared with the **Amendment Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **Amendment Proposal**. Where a **Standing Group** is identified and actioned in relation to an **Amendment Proposal**, a reference to **Working Group** in this Section 8 shall, in relation to that **Amendment Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity. ~~Unless specifically appointed pursuant to this Paragraph or permitted pursuant to Paragraph 8.19, a **Standing Group** shall not comment upon any **Amendment Proposal**.~~

3. Consultation

8.19.1 After consideration of any **Working Group** report on the **Amendment Proposal** by the **Amendments Panel** and a determination by the **Amendments Panel** to proceed to wider consultation by **NGC**, **NGC** shall consult on the **Amendment Proposal** with:

- (i) **CUSC Parties**; and
- (ii) such other persons who may properly be considered to have an appropriate interest in it.

~~Where following the establishment of a **Working Group**, or the decision of the **Amendments Panel** to proceed directly to consultation by **NGC**, in relation to an **Amendment Proposal**, the terms of reference of a **Standing Group** have been amended by the **Amendments Panel** to include the ability to comment on that **Amendment Proposal**, that A **Standing Group** as a body shall be deemed to fall within sub-paragraph (ii) above and therefore shall be able to respond to **NGC's** consultation. It shall not, however, in so doing undertake the functions of a **Working Group**. ~~In the absence of~~~~

~~such a change in terms of reference, the **Standing Group** as a body shall have no ability to respond to any consultation.~~

Clean Version

1. Panel Proceedings

8.16.5 In relation to each **Amendment Proposal**, the **Amendments Panel** shall determine at any meeting of the **Amendments Panel** whether to:

- (b) establish a **Working Group** (including if appropriate identifying and actioning a **Standing Group**) of the **Amendments Panel**, to consider the **Proposed Amendment**; or

2. Working Groups

8.17.1 If the **Amendments Panel** has decided not to proceed directly to wider consultation by **NGC**, a **Working Group** will be established, and/or an existing **Standing Group** identified and actioned, by the **Amendments Panel** to assist the **Amendments Panel** in evaluating whether an **Amendment Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether an **Alternative Amendment** would, as compared with the **Amendment Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **Amendment Proposal**. Where a **Standing Group** is identified and actioned in relation to an **Amendment Proposal**, a reference to **Working Group** in this Section 8 shall, in relation to that **Amendment Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity.

3. Consultation

8.19.1 After consideration of any **Working Group** report on the **Amendment Proposal** by the **Amendments Panel** and a determination by the **Amendments Panel** to proceed to wider consultation by **NGC**, **NGC** shall consult on the **Amendment Proposal** with:

- (i) **CUSC Parties**; and
- (ii) such other persons who may properly be considered to have an appropriate interest in it.

A **Standing Group** as a body shall be deemed to fall within subparagraph (ii) above and therefore shall be able to respond to **NGC's** consultation. It shall not, however, in so doing undertake the functions of a **Working Group**.

Part B - Text to give effect to the Alternative Amendment

Conformed Version

1. Panel Proceedings

8.16.5 *{Leave as existing CUSC text.}*

2. Working Groups

8.17.1 If the **Amendments Panel** has decided not to proceed directly to wider consultation by **NGC**, a **Working Group** will be established, or ~~an existing~~ **Standing Group** identified and actioned, by the **Amendments Panel** to assist the **Amendments Panel** in evaluating whether an **Amendment Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether an **Alternative Amendment** would, as compared with the **Amendment Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **Amendment Proposal**.

Where a **Standing Group** is identified and actioned in relation to an **Amendment Proposal**, a reference to **Working Group** in this Section 8 shall, in relation to that **Amendment Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity.

~~If not actioned as a Working Group but specifically requested by the Amendments Panel, a Standing Group shall comment upon any Amendment Proposal. Unless specifically appointed pursuant to this Paragraph or permitted pursuant to Paragraph 8.19, a Standing Group shall not comment upon any Amendment Proposal.~~

3. Consultation

8.19.1 After consideration of any **Working Group** report on the **Amendment Proposal** by the **Amendments Panel** and/or a determination by the **Amendments Panel** to proceed to wider consultation by **NGC**, **NGC** shall consult on the **Amendment Proposal** with:

- (i) **CUSC Parties**; ~~and~~
- ~~(ii) a Standing Group if requested by the Amendments Panel or pursuant to 8.17.1; and~~
- (iii) such other persons who may properly be considered to have an appropriate interest in it.

~~Where following the establishment of a Working Group, or the decision of the Amendments Panel to proceed directly to consultation by NGC, in relation to an Amendment Proposal, the terms of reference of a Standing Group have been amended by the Amendments Panel to include the ability to comment on the Amendment Proposal, that A Standing Group requested as a body shall be deemed to fall within subparagraph (ii) above and therefore shall be able to respond to NGC's consultation. It shall not, however, in so doing undertake the functions of a Working Group. In the absence of such a change in terms of reference, the Standing Group as a body shall have no ability to respond to any consultation.~~

Clean Version

1. Panel Proceedings

8.16.5 *{Leave as existing CUSC text.}*

2. Working Groups

8.17.2 If the **Amendments Panel** has decided not to proceed directly to wider consultation by **NGC**, a **Working Group** will be established, or a **Standing Group** identified and actioned, by the **Amendments Panel** to assist the **Amendments Panel** in evaluating whether an **Amendment Proposal** better facilitates achieving the **Applicable CUSC Objectives** and whether an **Alternative Amendment** would, as compared with the **Amendment Proposal**, better facilitate achieving the **Applicable CUSC Objectives** in relation to the issue or defect identified in the **Amendment Proposal**.

Where a **Standing Group** is identified and actioned in relation to an **Amendment Proposal**, a reference to **Working Group** in this Section 8 shall, in relation to that **Amendment Proposal**, be deemed to be a reference to that **Standing Group** acting in that capacity.

If not actioned as a **Working Group** but specifically requested by the **Amendments Panel**, a **Standing Group** shall comment upon any **Amendment Proposal**.

3. Consultation

8.19.1 After consideration of any **Working Group** report on the **Amendment Proposal** by the **Amendments Panel** and/or a determination by the **Amendments Panel** to proceed to wider consultation by **NGC**, **NGC** shall consult on the **Amendment Proposal** with:

- (ii) **CUSC Parties;**
- (ii) a **Standing Group** if requested by the **Amendments Panel** or pursuant to 8.17.1; and
- (iii) such other persons who may properly be considered to have an appropriate interest in it.

A **Standing Group** requested as a body within sub-paragraph (ii) above shall not in so doing undertake the functions of a **Working Group**.

Annex 3 – Copies of Representations Received

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 4th March 2002, requesting comments by close of business on 4th April 2002).

Representations were received from the following parties:

No.	Company	File Number
1	TXU Energy Trading Ltd	CAP007-CR-01
2	British Energy	CAP007-CR-02
3	London Electricity Group	CAP007-CR-03
4	Powergen plc	CAP007-CR-04
	EdF Trading Ltd & EdF (Generation)	CAP007-CR-05
5	Elexon	CAP007-CR-06
6	ScottishPower Energy Retail Limited & Scottish Power Generation Limited	CAP007-CR-07
7	British Gas Trading Limited	CAP007-CR-08

Reference	CAP007-CR-01
Company	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

8th March 2002

CAP007 Consultation Response

Dear Emma

We confirm that we support the Alternative Amendment proposal as drafted by the Working Group.

Yours sincerely

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

Reference	CAP007-CR-02
Company	British Energy



21st March 2002

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

Dear

CUSC Consultation Document CAP007: Role of Standing Groups

Thank you for the opportunity to comment on the above consultation document. We would advise that we fully SUPPORT the early approval and implementation of either the Amendment Proposal or the Alternative Amendment as defined in the consultation document.

British Energy (BE), with support from a number of other CUSC Parties, developed and submitted this Amendment Proposal (AP) for consideration by the CUSC Amendment Panel (CAP) and subsequently participated in the Governance Amendment Working Group (GAWG) discussions to debate this CUSC Panel's Role & Report Process amendment proposal.

As the Proposer of the AP, this wider industry consultation some four months after the AP was submitted also provides an opportunity to reflect on the original AP submitted with the benefit of the experience of the GAWG discussions. We note that GAWG unanimously supports the Alternative Amendment, and welcome National Grid's view in section 7.2 that the Alternative Amendment does 'better facilitate achievement of the Applicable CUSC Objectives'.

We recognise the concerns raised by some GAWG members who were of the view that a greater degree of autonomy should not be given to Standing Groups within the amendment process. The issues raised concerning the potential for duplication of effort, for example, in relation to both Working Group and Standing Group bodies reviewing the same AP are acknowledged, but could be readily addressed within the respective groups' terms of reference. However, whilst the Alternative Amendment does not extend the role of Standing Groups as far as the original AP intended, the intent of the original AP to provide both additional flexibility and to increase the effectiveness of the role of Standing Groups has been preserved and encompassed within the Alternative Amendment developed.

We are able therefore to provide our support for the Alternative AP, as a pragmatic compromise to the original AP, in addition to the original AP.

If you have any queries in relation to any of the above, please do not hesitate to contact me.

Yours faithfully,

Steve Phillips
Senior Trading Consultant
Market Development
Power & Energy Trading

Reference	CAP007-CR-03
Company	London Electricity Group

From: Cecil Dick [Dick.Cecil@le-group.co.uk]
Sent: 03 April 2002 11:20
To: Groves, Emma
Subject: CAP007 Consultation Response - Role of Standing Group

Consultation Response -CAP007- Role of Standing Group

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

We support the CAP007 in the Alternative form. In the form of CAP007Alternative we consider the CUSC Objectives are better met.

Improvement process

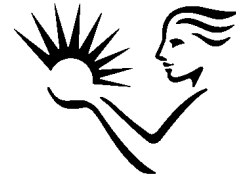
CUSC is a major new document and it is not surprise that we are finding governance amendments proposed that improve the text and the texture of the code. Both the amendment and the alternative do this, the main difference being the degree of generic power that a Standing Group should have to comment on Amendment Proposals. We consider that standing Groups have a valuable role to play in the development and improvement of the CUSC. Experts such as those serving on the Balancing Services Standing Group can develop progressive change more efficiently than CUSC Parties acting independently. The proposed Amendment and its Alternative enhance the abilities of Standing Groups to contribute to such development and this is why we are particularly supportive to the generic change proposed.

Why we prefer the Alternative to the Amendment

London Electricity would have supported the Amendment as originally drafted if the Alternative had not been introduced. We consider that Standing Groups would not have abused the powers proposed and the excellent work of the Balancing Services Standing Group demonstrates this. However, as the drafting of the Alternative protects against such abuse it is our preferred option.

Dick Cecil
London Electricity Group

Reference	CAP007-CR-04
Company	Powergen UK plc

**POWERGEN**4th April 2002

Dear David,

**Powergen Comments on Amendment Proposal Role of Standing Groups
- CAP007**

Powergen UK plc ('Powergen') welcomes the opportunity to comment on the above consultation document published on 4th March 2002. Powergen provides this response on behalf of itself and the following Parties: Powergen Energy plc, Diamond Power Generation Limited and Cottam Development Centre Limited.

This proposal recommends increasing the role of the Standing Group so that it can respond to a consultation on an Amendment Proposal without restriction. This would entail providing views to the Panel, in the consultation process, and to a separately established Working Group. Powergen do not support the original proposal as we believe it would lead to ambiguity, duplication and the possibility of a clash of interest with the Working Group. The reference of the Standing Group under the CUSC remains unclear and there is the potential for distortion, thus we do not feel it better facilitates the relevant CUSC objectives.

As a general view, Powergen believe the remit, tenure and order of precedence of the Standing Group in the whole CUSC governance machinery should be well laid out in Section 8 of the CUSC. We believe that the alternative proposal clarifies the role of the Standing Group and allows some flexibility in the decision-making process, and so we are happy to support the alternative.

If you have any questions please contact me on 024 7642 4414.

Yours Sincerely,

Jane Butterfield

Strategy & Regulation Department
Energy Trading
Powergen
024 7642 4414

Reference	CAP007-CR-05
Company	EdF Trading Ltd & EdF (Generation)

From: Steve Drummond [Steve.Drummond@btopenworld.com]
Sent: 02 April 2002 17:17
To: Groves, Emma
Subject: CAP 007 – Role of Standing Groups Consultation

On behalf of EdF Trading Ltd and EdF (generation), please note our acceptance of the Alternative amendment proposal as described in the consultation document dated 4th March 2002. With its implementation there will be increased flexibility in the new arrangements and, as such, it meets and improves the CUSC objectives.

Regards

Steve Drummond
UK Market Adviser to EdF Energy Merchants Ltd

Reference	CAP007-CR-06
Company	Elexon Ltd

Our ref. Comments on CAP007
Your ref. CAP007



2 April 2002

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

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

Dear Ms Groves,

Comments on Consultation Paper CAP007 Role of Standing Groups

ELEXON acting as the Balancing and Settlement Code Company has reviewed the Consultation Paper CAP007. ELEXON would like to make the following observations regarding the 'Proposed Amendment' and 'Alternative Amendment' to the role of the Standing Group.

ELEXON supports the 'Alternative Amendment' in preference to the 'Proposed Amendment' on the basis that the 'Alternative Proposal' would allow increased flexibility in the process for evaluating proposals.

Therefore, it is ELEXON's view that the 'Alternative Amendment' does better facilitate the applicable CUSC objectives by clarifying the role of Standing Groups with the CUSC Panel remaining responsible for establishing Standing Groups.

Yours sincerely

Justin Andrews
ELEXON Trading Department

Reference	CAP007-CR-07
Company	ScottishPower Energy Retail Ltd & Scottish Power Generation Ltd

CUSC Amendment Consultation

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

4th April 2002

CAP007: Role of Standing Groups

Dear Emma,

Many thanks for the opportunity to consider the consultation document in respect of CUSC Amendment proposal CAP007. This response is provided on behalf of ScottishPower Energy Retail Limited and Scottish Power Generation Limited.

The Original Amendment is right to highlight the potentially useful contribution which a Standing Group could make to the consultation process by being allowed to comment on an amendment proposal. As a Standing Group consists of people with relevant expertise and experience in a particular subject area, it is important that its views are also fed into any relevant consultation.

However, the Original Amendment also supports the consideration of an amendment proposal by both a Working Group and the relevant Standing Group at the same time. This may create conflict and confusion as each Group separately assesses the proposal.

The legal drafting of the Alternative Amendment recognises the benefit of the appropriate Standing Group commenting on an amendment proposal during the consultation process while avoiding the potential conflict noted above if both Working and Standing Groups were to consider a proposal.

On balance, we would support the Alternative Amendment for the reasons indicated. The Alternative Amendment also meets the applicable CUSC Objective of effective discharge by NGC of its statutory and licence obligations.

Standing Groups should be appointed to take a broader view of issues relating to connection and use of system, whereas Working Groups are more appropriate vehicles for considering specific proposals. The Amendments Panel could appoint a Standing Group to consider specific proposals if appropriate. The Panel, therefore, has sufficient flexibility to ensure that the proposal is dealt with adequately.

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)

Reference	CAP007-CR-08
Company	British Gas Trading Ltd

word/cusc



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

For the Attention of Ms E Groves
- Commercial Development

energy management group

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

Tel. (01753) 758051
Fax (01753) 758170
Our Ref. Cap007
Your Ref.
4th April 2002

Dear Emma,

**Re: CUSC Amendment CAP007 – Role of Standing Groups
Consultation Document**

Thank you for the opportunity to comment on the Consultation Document in respect of the above Amendment Proposal. British Gas Trading Limited (BGT) has been involved in the Workgroup discussions surrounding the proposal and welcomes this clarification of the role of Standing Groups within the Amendment process. Whilst we support the Alternative proposal in principle (and for the avoidance of doubt do not support the original Amendment proposal) we still have concerns that the process envisages groups of “independent experts” being continually available to the process. We would therefore support a separate review of the role and function of Standing Groups within the CUSC Amendment Process.

Should you have any queries regarding this response, please do not hesitate to contact me.

Yours sincerely,

Simon Goldring
Transportation Manager