



AMENDMENT REPORT VOLUME 1

CUSC Amendment Proposal CAP175

Urgent Amendment Proposals – revision to process

The purpose of this document is to assist the Authority in their decision of whether to implement Amendment Proposal CAP175

Amendment Ref	CAP175
Issue	V0.1
Date of Issue	3 rd November 2009
Prepared by	National Grid

Draft for industry comment. Please send any comments to cusc.team@uk.ngrid.com by 10th November 2009.

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
V0.1	03/11/09	National Grid	Draft for comment
V0.2		National Grid	Draft for Panel recommendation vote
V0.3		National Grid	Draft for Panel comment following recommendation vote
V1.0		National Grid	Formal version for submission to the Authority

b Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP175 *Urgent Amendment Proposals – Revision to Process* was submitted to the Amendments Panel for consideration on 25th September 2009. The Proposer requested that the Amendment Proposal proceed directly to wider consultation by The Company.
- 1.2 CAP175 seeks to revise the process for dealing with Urgent Amendment Proposals to provide enhanced understanding, clarity and process specification through which a recommendation for urgency would be progressed.
- 1.3 Following recent recommendations that proposals be treated as urgent (relating to CAP168, CAP170, CAP171 and CAP172), it was acknowledged by a number of parties (including the Amendments Panel) that the process for dealing with such recommendations has been tested. In particular it became clear that the lack of detail surrounding some elements of the process to be followed led to differing expectations of the treatment of such recommendations. Following this the CUSC Governance Standing Group (the GSG) reviewed the existing provisions within the CUSC and agreed that additional clarity on the process would be useful. CAP175 was raised by National Grid based on the output of the GSG discussions.
- 1.4 CAP175 proposes the following changes to the CUSC:
 - 1.4.1 The ability to recommend that a proposal be treated as urgent be extended to include the National Consumer Council and BSC Parties (as well as CUSC Parties);
 - 1.4.2 The Panel Chairman to determine the time by which a decision on urgent matters should be made;
 - 1.4.3 A meeting of the CUSC Amendments Panel to be convened to discuss any urgent recommendations;
 - 1.4.4 Specification of the process to be followed should not all Panel Members be available for the meeting, or should it not be possible to contact an appropriate number of Panel Members;
 - 1.4.5 The Amendment Report to include the Authority and Panel view on urgency (as well as the proposer's view as currently provided for in the CUSC).

Amendments Panel's View

- 1.5 The Amendments Panel agreed that CAP175 should proceed directly to wider consultation by the Company for a period of three weeks.

National Grid's View

- 1.6 As proposer, National Grid supports implementation of CAP175 on the basis that it better facilitates the Applicable CUSC Objectives by improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and 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.
- 2.2 Further to the submission of Amendment Proposal CAP175 (see Annex 2) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority (“the Authority”) in order to assist them in their decision whether to implement Amendment Proposal CAP175.
- 2.3 CAP175 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on the 25th September 2009. The Amendments Panel determined that CAP175 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid’s recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been included and a summary of the representations is also provided. Copies of each of the responses to the consultation are included in Volume 2 of this Amendment Report.
- 2.5 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP175 seeks to revise the process for dealing with Urgent Amendment Proposals to provide enhanced understanding, clarity and process specification through which recommendation for urgency would be progressed.
- 3.2 CAP175 was raised following development and discussion at the GSG. The GSG considered that amendment and clarification of the process for dealing with urgent recommendations would aid transparency and clarity for both the Panel and industry parties on the process to be followed should a proposal be recommended as urgent. This was felt to be important based on recent experience of dealing with recommendations for urgency where there were some issues regarding interpretation of the existing provisions and the requirements for processing recommendations.
- 3.3 CAP175 seeks to introduce a requirement to convene a meeting following a recommendation for urgency being received. This is not explicit in the existing provisions. This meeting may be by telephone conference call where appropriate. The convening of such a meeting would not require the standard CUSC procedures to apply such as with regards to notice period, agenda and circulation of material.
- 3.4 The proposal also seeks to provide detail as to the process to be followed in the event that a quorum (as defined in section 8.9 of the CUSC) is not available for the meeting. It is proposed that in such an instance the Panel

Chairman should endeavour to contact each Panel Member individually to ascertain the Panel Member's vote, with a decision being made by the majority of Panel Members contacted.

3.4.1 In the event that the Panel Chairman is unable to contact at least four Panel Members it is further proposed that the Panel Chairman may decide the matter, in consultation with those Panel Members (if any) consulted.

3.4.2 However, in the event that the Panel Chairman is unable to contact at least four Panel Members and the Amendment Proposal has been recommended as urgent by only the Company, then only those Panel Members consulted shall make a decision. The addition of this clause was considered important by the GSG as the CUSC Panel Chairman is an executive director (or senior employee) of the Company (CUSC 8.3.1). It was felt by the GSG that by including this clause any potential conflict of interest, with regards to the recommendation on urgency, would be avoided.

3.4.3 Finally, in order to ensure that a recommendation can always be made, if the Amendments Panel is unable to make a decision then the Panel Chairman may recommend alone.

3.5 CAP175 also seeks to extend the ability to recommend an Amendment Proposal be treated as urgent to the National Consumer Council and BSC Parties as well as CUSC Parties (already included in the existing provisions). This was considered to be important by the GSG as these parties are already able to raise Amendment Proposals, and it was considered that they should also be able to recommend on urgency.

3.6 Finally, the proposal seeks to add the requirement for the Authority and the CUSC Amendments Panel's views on urgency to be included in the Amendment Report (as well as the proposer's view as detailed in the current provisions). It was considered by the GSG that this will ensure that the complete view on urgency is available in the Amendment Report for the consideration of any interested party.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

4.1 The Proposer considers that CAP175 would better facilitate the following Applicable CUSC Objective:

- (a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence;

By improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed.

5.0 PROPOSED IMPLEMENTATION

5.1 National Grid proposes that CAP175 should be implemented three Business Days after a decision by the Authority.

6.0 IMPACT ON THE CUSC

- 6.1 CAP175 requires amendment to section 8.21 of the CUSC.
- 6.2 The text required to give effect to the Amendment Proposal is contained as Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

- 7.1 CAP175 has no impact upon Core Industry Documents.

Impact on other Industry Documents

- 7.2 CAP175 has no impact upon other Industry Documents.

8.0 NATIONAL GRID VIEW

- 8.1 As proposer, National Grid supports implementation of CAP175 on the basis that it better facilitates the Applicable CUSC Objective (a) by improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed.

9.0 INDUSTRY VIEWS AND REPRESENTATIONS

- 9.1 The following table provides an overview of representations received. Copies are contained in Amendment Report Volume 2.

Reference	Company	Supportive	Comments
CAP175-CR-01	EDF ENERGY	Yes	<ul style="list-style-type: none"> The proposal that requests for urgency can come from any CUSC party or Consumer Focus is an improvement – as the existing restriction has no obvious justification. The proposal to mandate a meeting of the CUSC Panel makes pragmatic suggestions as to the approach where not all Panel Members are readily available. The proposal to mandate that a report shall be prepared which documents the CUSC Panel's and Ofgem's position on the requests for urgency seems to represent good practice.

Reference	Company	Supportive	Comments
CAP175-CR-02	RWE group of companies including RWE Npower, RWE Supply and Trading GmbH and RWE npower renewables, a fully owned subsidiary of RWE Innogy	Yes	<ul style="list-style-type: none"> • Support the views expressed in the consultation document. • Believe that the Amendment Proposal reflects discussions at the CUSC Governance Standing Group on the urgency provisions in the CUSC. • It is appropriate that the processes associated with Urgent Amendment Proposal are clarified. • Agree with National Grid that CAP175 better facilitates the Applicable CUSC objectives.
CAP175-CR-03	ScottishPowers's Energy Wholesale Business which includes ScottishPower Generation Ltd, Scottish Power Energy Management Ltd and ScottishPower Renewable Energy Ltd	Yes	<ul style="list-style-type: none"> • Supports the proposed changes around the CUSC Urgent Amendment process. • Agree that these changes would add clarification, while simplifying the Urgent Proposal process.
CAP175-CR-04	Keadby Generation Ltd.; SSE Energy Supply Ltd.; SSE Generation Ltd.; Medway Power Ltd.; Slough Energy Supplies Ltd.; Airtricity Ltd. and Airtricity Generation (UK) Ltd.	Yes	<ul style="list-style-type: none"> • Welcome the proposed changes • This is a pragmatic development in light of recent experience with 'urgent' CUSC Amendment Proposals. • Agree with the National Grid view (as set out in paragraph 1.6 of this Amendment Report) that this change would better facilitate the Applicable CUSC Objectives – in particular objective (a). • If the proposal outlined in the recent consultation from Ofgem relating to the future appointment of an independent chair of the CUSC Panel were to proceed then there could be a case for removing the limitation on the Panel Chairman (as set out in paragraph 3.4.2 of this Amendment Report) where urgency is being requested by the Company.

10.0 COMMENTS ON THE DRAFT AMENDMENT REPORT

10.1 *To be inserted after circulation for comment*

11.0 AMENDMENTS PANEL RECOMMENDATION

11.1 *To be inserted after Amendments Panel meeting*

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 As proposer of CAP175, National Grid supports the Amendment Proposal. National Grid supports implementation of CAP175 on the basis that it better facilitates the Applicable CUSC Objective (a) by improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed.

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed legal text to modify the CUSC is detailed below by:

- Inserting the coloured, underlined text
- Deleting the coloured, struck through text

8.21 URGENT AMENDMENT PROPOSALS AND HOUSEKEEPING AMENDMENTS

8.21.1 Urgent Amendment Proposals

8.21.1.1 If any **CUSC Party**, or the **National Consumer Council** or any **BSC Party** recommends to the **Panel Secretary** that a proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21, the Panel Secretary shall notify the **Panel Chairman** who shall then, in accordance with Paragraphs 8.21.1.1(a) to (e) inclusive, and notwithstanding anything in the contrary in this Section 8, endeavour to obtain the views of the **Amendments Panel** as to the matters set out in Paragraph 8.21.1.2. If for any reason the **Panel Chairman** is unable to do that, the **Panel Secretary** shall attempt to do so (and the measures to be undertaken by the **Panel Chairman** in the following paragraphs shall in such case be undertaken by the **Panel Secretary**).

8.21.1.1(a) The **Panel Chairman** shall determine the time by which, in his opinion, a decision of the **Amendments Panel** is required in relation to such matters, having regard to the degree of urgency in all the circumstances, and references in this Paragraph 8.21.1 to the “time available” shall mean the time available, based on any such determination by the **Panel Chairman**.

8.21.1.1(b) The **Panel Secretary** shall, at the request of the **Panel Chairman**, convene a meeting or meetings (including meetings by telephone conference call, where appropriate) of the **Amendments Panel** in such manner and upon such notice as the **Panel Chairman** considers appropriate, and such that, where practicable within the time available, as many **Panel Members** as possible may attend;

8.21.1.1(c) Each **Panel Member** shall be deemed to have consented, for the purposes of Paragraph 8.7.9, to the convening of such meeting or meetings in the manner and on the notice determined by the **Panel Chairman**. Paragraph 8.7.10 shall not apply to any such business.

8.21.1.1(d) Where:

- it becomes apparent, in seeking to convene a meeting of the **Amendments Panel** within the time available, that a quorum will not be present; or
- it transpires that the meeting of the **Amendments Panel** is not quorate and it is not possible to rearrange such meeting within the time available.

the **Panel Chairman** shall endeavour to contact each **Panel Member** individually in order to ascertain such **Panel Member’s** vote, and (subject to Paragraph 8.21.1.1(e)) any matter to be decided shall be

decided by a majority of those **Panel Members** who so cast a vote. Where, for whatever reason no decision is reached, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.21.1.4;

8.21.1.1(e) Where the **Panel Chairman** is unable to contact at least four **Panel Members** within the time available and where:

- (i) it is only **The Company** who has recommended that the proposal should be treated as an **Urgent Amendment Proposal**, then those **Panel Members** contacted shall decide such matters, such decision may be a majority decision. Where in such cases no decision is made for whatever reason, the **Panel Chairman** shall proceed to consult with the **Authority** in accordance with Paragraph 8.21.1.4; or
- (ii) any **CUSC Party** (other than, and/or in addition to, **The Company**), the **National Consumer Council** or any **BSC Party** has recommended that the proposal should be treated as an **Urgent Amendment Proposal**, then the **Panel Chairman** may decide the matter (in consultation with those **Panel Members** (if any) which he managed to contact) provided that the **Panel Chairman** shall include details in the relevant **Amendment Report** of the steps which he took to contact other **Panel Members** first.

8.21.1.2 **The matters referred to in Paragraph 8.21.1.1 are:**

- (a) whether such proposal should be treated as an **Urgent Amendment Proposal** in accordance with this Paragraph 8.21 and
- (b) ~~if so,~~ the procedure and timetable to be followed in respect of such **Urgent Amendment Proposal**.

8.21.1.3

~~if:~~

- ~~(a) the **Amendments Panel** agrees that such proposal should be treated as an **Urgent Amendment Proposal**; or~~
- ~~(b) where the **Panel Chairman** or the **Panel Secretary** was unable to contact all **Panel Members**, the majority of **Panel Members** contacted so agree; or~~
- ~~(c) where the **Panel Chairman** or the **Panel Secretary** was unable to contact any other **Panel Member**, the **Panel Chairman** considers that such proposal should be treated as an **Urgent Amendment Proposal**;~~

‡The **Panel Chairman** or, in his absence, the **Panel Secretary** shall forthwith provide the **Authority** with the recommendation (if any), ascertained in accordance with Paragraphs 8.21.1.1(a) to (e) inclusive, of the **Amendments Panel** as to the matters referred to in Paragraph 8.21.1.2, and shall consult the **Authority** as to whether such

Amendment Proposal is an **Urgent Amendment Proposal** and, if so, as to the procedure and timetable which should apply in respect thereof.

- 8.21.1.4 If the Amendments Panel has been unable to make a recommendation in accordance with Paragraph 8.21.1.1(d) or Paragraph 8.21.1.1(e) as to the matters referred to in Paragraph 8.21.1.2 following 8.21.1.3 it is not agreed that the Amendment Proposal should become an Urgent Amendment Proposal then the **Panel Chairman** or, in his absence, the **Panel Secretary** may recommend whether he considers that such proposal should be treated as an Urgent Amendment Proposal and shall forthwith consult the **Authority** as to whether such **Amendment Proposal** is an **Urgent Amendment Proposal** and, if so, as to the procedure and timetable that should apply in respect thereof.
- 8.21.1.5 The **Amendments Panel** shall:
- (a) not treat any **Amendment Proposal** as an **Urgent Amendment Proposal** except with the prior consent of the **Authority**;
 - (b) comply with the procedure and timetable in respect of any **Urgent Amendment Proposal** approved by the **Authority**; and
 - (c) comply with any direction of the **Authority** issued in respect of any of the matters on which the **Authority** is consulted pursuant to Paragraph 8.21.1.3 or Paragraph 8.21.1.4.
- 8.21.1.6 For the purposes of this Paragraph 8.21.1.6, the procedure and timetable in respect of an **Urgent Amendment Proposal** may (with the approval of the **Authority** pursuant to Paragraph 8.21.1.3 or Paragraph 8.21.1.4) deviate from all or part of the **Amendment Procedures** ~~to~~ or follow any other procedure or timetable approved by the **Authority**.
- 8.21.1.7 The **Amendment Report** in respect of an **Urgent Amendment Proposal** shall include:
- (a) a statement as to why the proposer **CUSC Party**, believes that such **Amendment Proposal** should be treated as an **Urgent Amendment Proposal**,
 - (b) any statement provided by the Authority as to why the Authority believes that such Amendment Proposal should be treated as an Urgent Amendment Proposal.
 - (c) any recommendation of the Amendments Panel (or any recommendation of the Panel Chairman) provided in accordance with Paragraph 8.21.1.1 in respect of whether any Amendment Proposal should be treated as an Urgent Amendment Proposal, and
 - (d) ~~and~~ the extent to which the procedure followed deviated from the **Amendment Procedures** (other than the procedures in this Paragraph 8.21.1).

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:175
Title of Amendment Proposal: Urgent Amendment Proposals – revisions to process	
Description of the Proposed Amendment (<i>mandatory by proposer</i>): It is proposed that the Urgent Amendment Proposals process within the CUSC be revised to provide enhanced understanding, clarity and process specification for the process through which a recommendation for urgency would be progressed. It is proposed that the following changes be made to the CUSC: <ul style="list-style-type: none">• The ability to recommend that a proposal be treated as urgent be extended to include the National Consumer Council and BSC Parties (as well as CUSC Parties)• The Panel Chairman to determine the time by which a decision on urgent matters should be made• A meeting of the CUSC Amendments Panel to be convened to discuss the matter• Specification of the process to be followed should not all Panel Members be available for the meeting, or should it not be possible to contact an appropriate number of Panel Members (please see detail set out in proposed attached legal text)• The Amendment Report to include the Authority and Panel view on urgency (as well as the proposer's view as currently provided for in the CUSC)	
Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>): Following recent recommendations that proposals be treated as urgent (relating to CAP168, CAP170, CAP171 and CAP172), it has been acknowledged by a number of parties (including the CUSC Amendments Panel) that the process for dealing with such recommendations has been tested. In particular it became clear that the lack of detail surrounding the specific process to be followed led to differing expectations of the treatment of such recommendations. Following this the CUSC Governance Standing Group (the GSG) reviewed the existing provisions within the CUSC and agreed that additional clarity on the process would be useful. This Amendment Proposal has been raised based on the GSG discussions. The main changes proposed relate to the requirement to convene a meeting, which is not explicit in the existing provisions. The proposal also seeks to provide detail as to the process to be followed in the event that it is not possible to contact all Panel Members. It was considered by the GSG that this would aid transparency and clarity for both the Panel and industry parties on the process to be followed should a proposal be recommended as urgent. Much of the detail of the proposals is based on the provisions already in place in the BSC. In addition to this the proposal seeks to extend the ability to recommend an Amendment Proposal be treated as urgent to the National Consumer Council and BSC Parties as well as CUSC Parties (already included in the existing provisions). This was considered to be important by the GSG as these parties are already able to raise Amendment Proposals, and so should also be able to recommend on urgency. Finally, the proposal seeks to add the requirement for the Authority and the CUSC Amendments Panel views on urgency to be included in the Amendment Report (as well as the proposer's view as outlined in the current provisions). It was considered by the GSG that this will ensure that the complete view on urgency is available in the Amendment Report for the consideration of any interested party.	

<p>Impact on the CUSC (this should be given where possible): Section 8.21 of the CUSC will require amendment.</p>
<p>Impact on Core Industry Documentation (this should be given where possible): None</p>
<p>Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible): None</p>
<p>Details of any Related Modifications to Other Industry Codes (where known): None</p>
<p>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):</p> <p>National Grid believes that this proposal will better facilitate CUSC Applicable Objective (a) <i>the efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence</i> by improving the transparency and process through which recommendations for Urgent Amendment Proposals will be processed.</p>

<p>Details of Proposer: Organisation's Name:</p>	National Grid
<p>Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")</p>	CUSC Party
<p>Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:</p>	Carole Hook National Grid 01926 654211 carole.hook@uk.ngrid.com
<p>Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:</p>	Alex Thomason National Grid 01926 656379 Alex.thomason@uk.ngrid.com
<p>Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment:</p> <p>Please see annex 1 to this amendment proposal for the proposed drafting to support the amendment (3 pages).</p>	