Stage 6: Final Modification Report

CMP272: Aligning Condition C5 and C10 of the CUSC to the licence changes introduced by the Code Governance Review Phase 3

Purpose of Modification: CMP272 seeks to implement licence changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3).

This is the Final CUSC Modification Report which contains responses to the Code Administrator Consultation and details of the CUSC Panel Recommendation vote. This document has been prepared and issued by National Grid as Code Administrator under the rules and procedures specified in the CUSC. The purpose of this document is to assist the Authority in making their decision on whether to implement CMP272.

An electronic version of this document and all other CMP272 related documentation can be found on the National Grid website via the following link:

http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP272/

Low Impact: National Grid, CUSC Parties, the CUSC Panel

The CUSC Panel Recommendation:

At the CUSC Modifications Panel meeting on 24 February 2017, the Panel voted on CMP272 against the Applicable CUSC Objectives. The Panel members unanimously agreed that the Original was better than the Baseline.
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### Any questions?

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07970 498249
1 About this document

1.1 This document is the Final Modification Report. It contains the discussion of the Workgroup which formed in January 2017 to develop and assess the proposal, the responses to the Workgroup Consultation which closed on 24 January 2017; the voting of the Workgroup held on 03 February 2017, the responses received from the Code Administrator Consultation which closed on 17 February 2017 and the CUSC Panel recommendation vote.

1.2 CMP272 was proposed by National Grid and was submitted to the CUSC Modifications Panel for its consideration on 14 December 2016. The Panel decided to send the Proposal to a Workgroup to be developed and assessed against the CUSC Applicable Objectives. The Authority determined that the proposal should be considered on an Urgent timescale. The letter from the Authority setting out the reasons for urgency is set out in Annex 3.

1.3 CMP272 aims to implement licence changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3). The Workgroup consulted on this Modification and a total of 2 responses were received. These responses can be viewed within Section 5 of this Report.

Workgroup Conclusions

1.4 Two responses were received to the Workgroup Consultation. At the final Workgroup meeting, Workgroup members voted on the Original proposal. All three members voted that the Original Proposal better facilitated the applicable CUSC objectives as it reflected the licence changes

Code Administrator Consultation Responses

1.5 At the Special CUSC Modifications Panel meeting on 10 February 2017, the Workgroup Report was presented to the CUSC Panel and the Panel agreed that the Workgroup had met its terms of Reference and accepted the Workgroup Report. The Panel agreed for CMP272 to progress to Code Administrator Consultation for a period of 5 Working days.

1.6 Two responses were received to the Code Administrator Consultation; the responses can be found within Section 8 of this Report.

1.7 Both of the responses support the amended Original Proposal which can be found within Annex 2 of this Report.

CUSC Panel Recommendation Vote
1.8 At the CUSC Modifications Panel meeting on 24 February 2017, the Panel voted on CMP272 against the Applicable CUSC Objectives. The Panel members unanimously agreed that the Original was better than the Baseline.

1.9 This Final Modification Report has been prepared in accordance with the terms of the CUSC. An electronic version of this document and all other CMP272 related documentation can be found on the National Grid website via the following link:

http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP272/

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 February 2017</td>
<td>Code Administrator Consultation issued (5 Working days)</td>
</tr>
<tr>
<td>17 February 2017</td>
<td>Deadline for responses</td>
</tr>
<tr>
<td>17 February 2017</td>
<td>Draft FMR published for industry comment (2 Working days)</td>
</tr>
<tr>
<td>21 February 2017</td>
<td>Deadline for comments</td>
</tr>
<tr>
<td>21 February 2017</td>
<td>Draft FMR circulated to Panel</td>
</tr>
<tr>
<td>24 February 2017</td>
<td>CUSC Panel Recommendation vote</td>
</tr>
<tr>
<td>24 February 2017</td>
<td>FMR circulated for Panel comment (2 Working days)</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>Deadline for Panel comment</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>Final report sent to Authority for decision</td>
</tr>
<tr>
<td>07 March 2017</td>
<td>Indicative Authority Decision due (5 Working days)</td>
</tr>
<tr>
<td>14 March 2017</td>
<td>Implementation date (5 Working days later)</td>
</tr>
</tbody>
</table>
2 Summary of change

What

2.1 CMP272 has been raised by National Grid to address the third phase of Ofgem’s review of code governance focusses on ensuring that the governance arrangements of all industry codes deliver both complex changes and non-material self-governance changes in an efficient and timely manner.

Why

2.2 CMP272 has been raised to implement the licence changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3).

How

2.3 It is proposed that the changes to licence conditions C5 and C10 be implemented in the CUSC. The legal text changes have been developed by National Grid’s legal departments following discussions with their Ofgem counterparts.

2.4 This document describes the CMP272 CUSC Modification Proposal (the Proposal), summarises the deliberations of the Workgroup and sets out the options for potential Workgroup Alternative CUSC Modifications (WACMs).

2.5 CMP272 was proposed by National Grid and was submitted to the CUSC Modification Panel for their consideration on 14 December 2016. A copy of this Proposal is provided within Annex 1. The Panel decided to reject the Proposer’s request for a Self-Governance Modification and suggested the Proposal be developed and assessed against the CUSC Applicable Objectives in accordance with an urgent timetable. This request for ‘urgency’ was approved by Ofgem on 20 December 2016 (Annex 3). The Workgroup convened on 6th, 26th and 31st January 2017.

2.6 CMP272 seeks to implement the license changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3). The third phase of Ofgem’s review of code governance focusses on ensuring that the governance arrangements of all industry codes deliver both non-material self-governance changes and more complex changes in an efficient and timely way.

2.7 This Workgroup Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid Website along with the Modification Proposal Form via the following link: http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP272/
3 Original Proposal Detail

CGR3 Licence changes

3.1 As part of Ofgem's Code Governance Review (CGR3) Final Proposal, the Authority consulted on licence drafting to introduce proposed amendments to the Significant Code Review (SCR) process. This Modification has been raised to align the license changes to the provisions set out in Section 8 and Section 11 of the CUSC.

Initial Proposal

3.2 As detailed on Ofgem's website\(^1\) the changes to the CUSC Licence Conditions C5 and C10 relate to the introduction of more flexibility the CUSC Modifications process for SCRs. The changes relate to:

i. introducing the ability for the Authority to raise a CUSC Modification following the end of a SCR;

ii. introducing the ability for the Authority to end a SCR: Introducing an additional route to which the Authority can deem a SCR has ended;

iii. introducing the ability for the Authority to lead an end to end CUSC SCR Modification.

iv. Backstop Direction: introduce a Backstop Direction where by a CUSC Modification Proposal that has been made in relation to a SCR, the Authority may issue a Backstop Direction, which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review phase to recommence.

3.3 These changes will be reflected in Section 8 and Section 11 of the CUSC. The red-lined draft changes are included as Annexes to this Modification Proposal.

For information only:

Self-Governance

3.4 Part of Ofgem’s CGR3 is to change the way that Modifications are assessed such they should be considered as self-governance unless the change can be argued by the Proposer that the defect is material enough and should therefore not be assessed as self-governance. This change is not subject to this Modification as no changes are required to the CUSC but has been included in this report for information only.

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New Applicable Objective

3.5 CGR3 will introduce a new Applicable CUSC Objective: “promoting efficiency in the implementation and administration of the CUSC arrangements”. The introduction of this new objective is not subject to this Modification as the change impact only the license and not the CUSC.

3.6 The full set of proposed legal text changes are detailed on Ofgem’s website:


Discussions at the December CUSC Panel

3.7 The proposal was presented to the Panel on 14 December 2016 with a request for Self-Governance.

3.8 The Authority supported the process for Self-Governance. One Panel Member did not agree that the Proposal met the criteria for Self-Governance and believed the changes to have a material impact. Another Panel Member also highlighted that not all codes had followed the Self-Governance route to implement the changes into their retrospective codes.

3.9 The Panel Member suggested for the Proposal to be progressed through a Workgroup in order to enable broader Industry views to be captured within the Modification Report.

3.10 The Authority continued to express preference for a Self-Governance modification however; the Panel debated whether this Proposal met the criteria for Self-Governance and by majority agreed that the Proposal did not meet the criteria.

3.11 The Panel also decided by majority that the Proposal should: be progressed by a Workgroup, a consultation issued for a 10 day period and for the Modification to follow an urgent timetable with a reduced quorum of Workgroup Members.

3.12 On 20 December 2016 Ofgem approved the request for urgency.
4 Workgroup discussions

4.1 The first Workgroup meeting was held on 6 January 2017. The Proposer provided an overview of the Modification Proposal. One Workgroup Member provided a set of proposed changes which the Workgroup discussed. The discussions focussed on walking through Section 8 of the CUSC to identify any areas of amendment to ensure that the licence changes to Conditions C5 and C10 were captured correctly in the draft legal text. The changes identified are outlined below.

Section 8 points:

4.2 The Workgroup identified a number of typographical errors, consistency and clarity changes to the proposed draft legal text. It was agreed by the Proposer that many of them should be incorporated into the original Proposal and they are listed below for reference. The initial suggested text can be found in Tables 1-4 below:

4.3 Table 1 details the typographical errors.

4.4 Table 2 details the changes to make the wording Section 8 consistent.

4.5 Table 3 details changes to make Section 8 clearer.

4.6 Table 4 details areas that may be included in potential Workgroup Alternative Code Modifications (WACMs).

Section 11 point:

4.7 The Workgroup suggested within Section 11 that “published” be added into the new text in terms of the description of ‘SCR Guidance’. The Original Proposal was updated to reflect this change.
### Table 1: Typographical errors

<table>
<thead>
<tr>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Will this be amended and updated in the Original Proposal or should this become a WACM?</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.16.10</td>
<td>Removal of the repetition of the word ‘and’</td>
<td><strong>Typo</strong>&lt;br&gt;Workgroup member raised whether an additional 'and' was needed because then the paragraph is read as a whole there seems to be an unnecessary repetition of the word ‘and’</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td>8.17.6A(b)</td>
<td>Reference to 18.17.8 which should be 8.17.8</td>
<td><strong>Typo</strong>&lt;br&gt;Workgroup Member highlighted a typo in the reference to 18.17.8 which should be 8.17.8. The Proposer accepted this change as a typo.</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td>8.17.6A(c)</td>
<td>Reference to 8.17.6B.2 which should be 8.17.B.3</td>
<td><strong>Typo</strong>&lt;br&gt;Workgroup questioned whether this is the correct reference and whether it should refer to 8.17.B.3 instead and also why reference to 8.71.6B.2</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td>8.17.12</td>
<td>Reference to Paragraph 8.17.8 should be 8.17.11</td>
<td><strong>Typo</strong>&lt;br&gt;Workgroup Member highlighted error in reference to paragraph</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td>8.17.12</td>
<td>Reference to 8.17.6(a) which</td>
<td><strong>Typo</strong></td>
<td>Original - updated in Annex 2</td>
</tr>
</tbody>
</table>
### Section 8 Reference highlighted for change

<table>
<thead>
<tr>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
</tr>
</thead>
<tbody>
<tr>
<td>should be 8.17.6(b)</td>
<td>Paragraph 8.17.6(a) is applicable to NGET and not Authority Led modifications and so Paragraph 8.17.6(b) should be referenced instead.</td>
</tr>
<tr>
<td>8.17.B.1</td>
<td>Reference should be made to Paragraph 8.17.C</td>
</tr>
<tr>
<td></td>
<td><strong>Typo</strong></td>
</tr>
<tr>
<td></td>
<td>Workgroup Member highlighted this as a typo in the reference of paragraph to backstop direction.</td>
</tr>
<tr>
<td>8.17.C.1</td>
<td>Phase should also be in bold</td>
</tr>
<tr>
<td></td>
<td><strong>Typo</strong></td>
</tr>
<tr>
<td></td>
<td>Paragraph 8.17C: rather than referring to “Significant Code Review phase”, this paragraph should use the defined term (i.e., it should read “Significant Code Review Phase”).</td>
</tr>
<tr>
<td>8.17.C.1</td>
<td>Phase should also be in bold</td>
</tr>
<tr>
<td></td>
<td><strong>Typo</strong></td>
</tr>
<tr>
<td></td>
<td>Paragraph 8.17C: rather than referring to “Significant Code Review phase”, this paragraph should use the defined term (i.e., it should read “Significant Code Review Phase”).</td>
</tr>
</tbody>
</table>

**Will this be amended and updated in the Original Proposal or should this become a WACM?**

- Original - updated in Annex 2
### Table 2: Consistency changes

<table>
<thead>
<tr>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Will this be amended and updated in the Original Proposal or should this become a WACM?</th>
</tr>
</thead>
</table>
| **8.17.6(b)** | Insert ‘an Authority Led CUSC Modification’ as new wording | Consistency  
Workgroup Member raised an inconsistency and suggested ‘an Authority Led CUSC Modification’ to be the new wording as per the definition used in Section 11. | Original - updated in Annex 2 |
| **8.17.8** | Insertion of ‘Authority Led Modification’ | Consistency  
As mentioned above, Workgroup Member suggested creating consistency with Section 11. | Original - updated in Annex 2 |
| **8.17.10** | Reference to Paragraph 8.17.6(a) | Consistency  
Workgroup Member suggested that we add (a) for clarity of the paragraph being referenced to. | Original - updated in Annex 2 |
| **8.17.12** | Reference to Paragraph 8.17.6(a) | Consistency  
Workgroup Member suggested that we add (a) for clarity of the paragraph being referenced to. | Original - updated in Annex 2 |
| **8.17A.2 (b)** | Insertion of ‘Authority Led Modification’ | Consistency  
As mentioned above, Workgroup Member suggested creating consistency with Section 11. | Original - updated in Annex 2 |
<p>| <strong>8.17A.3</strong> | Insertion of the | Consistency | Original - updated in Annex 2 |</p>
<table>
<thead>
<tr>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Will this be amended and updated in the Original Proposal or should this become a WACM?</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.17.A.8</td>
<td>Insertion of the wording ‘Authority Led Modification’</td>
<td>Consistency</td>
<td>As mentioned above, Workgroup Member suggested creating consistency with Section 11.</td>
</tr>
<tr>
<td>8.17.B.7</td>
<td>Insertion of wording from 8.17.9 and correct defined terms.</td>
<td>Consistency</td>
<td>Workgroup Member suggested inserting wording to create consistency with 8.17.9 as well as making use of the correct defined terms of the voting rights of Panel Members</td>
</tr>
</tbody>
</table>
Table 3: Clarity changes

<table>
<thead>
<tr>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Clarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.17.9</td>
<td>Retain the use of the word ‘such’</td>
<td>Workgroup Member suggested keeping the word ‘such’ because if it is removed it would imply any Authority conclusions and directions on anything may be considered as part of CGR3 opposed to only those in relation to SCR.</td>
</tr>
<tr>
<td>8.17A.1</td>
<td>Text to be amended so that it is clear who can raise the Proposal</td>
<td>Workgroup Member suggested re-wording of this paragraph to keep the intent but to distinguish between CUSC Led Modification and Authority Led Modification route.</td>
</tr>
<tr>
<td>8.17A.4</td>
<td>Insertion of reference to Paragraph 8.17A.1(b)</td>
<td>Workgroup Member suggested adding reference to (b) for completeness of the point being made elaborating that this section was written for National Grid to be able to withdraw an Authority Led CUSC Modification Proposal.</td>
</tr>
<tr>
<td>8.17.B2(d)</td>
<td>Use of the word ‘proposed’ as opposed to ‘proposal’</td>
<td>Workgroup Member suggested rewording to save confusion between a Modification which is being proposed and a Modification which has become a Proposal.</td>
</tr>
<tr>
<td>8.17.B.3</td>
<td>Removal of the</td>
<td></td>
</tr>
</tbody>
</table>

Original - updated in Annex 2

This point is being reviewed by Ofgem.
<table>
<thead>
<tr>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Will this be amended and updated in the Original Proposal or should this become a WACM?</th>
</tr>
</thead>
<tbody>
<tr>
<td>word ‘urgency’</td>
<td>Workgroup Member suggested that when this paragraph is read in its entirety the wording implies that all Authority Led Modifications are to be treated as ‘urgent’. However, they may or may not be ‘urgent’.</td>
<td>If agree with amendments then the original will be updated. If Ofgem do not agree to the amendments it could be an option for a potential WACM.</td>
<td></td>
</tr>
<tr>
<td>8.17.B.5</td>
<td>Insertion of 8.17B.2 (d)</td>
<td>Clarity</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td></td>
<td>Workgroup Member suggested adding (d) for completeness and clarity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.17.B.5</td>
<td>Removal of the word ‘urgency’</td>
<td>Clarity</td>
<td>This point is being reviewed by Ofgem. If agree with amendments then the original will be updated. If Ofgem do not agree to the amendments it could be an option for a potential WACM.</td>
</tr>
<tr>
<td></td>
<td>As per above, Workgroup Member suggested that when this paragraph is read in its entirety the wording implies that all Authority Led Modifications are to be treated as ‘urgent’. However, they may or may not be ‘urgent’.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.17.B.5</td>
<td>Revise wording of ‘as soon as practicable’</td>
<td>Clarity</td>
<td>This point is being reviewed by Ofgem. If agree with amendments then the original will be updated. If Ofgem do not agree to the amendments it could be an option for a potential WACM.</td>
</tr>
<tr>
<td></td>
<td>Workgroup Member highlighted that the term ‘as soon as practicable’ implies that although the authority have the discretion to change the timetable, this wording implies that the authority can only extend the timetable and not shorten it.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.17.C.1</td>
<td>Insertion of CUSC Led Modification</td>
<td>Clarity</td>
<td>Original - updated in Annex 2</td>
</tr>
<tr>
<td></td>
<td>Workgroup Member pointed out that a backstop direction only applies to an Authority Led CUSC Modification and so this should be made clear within the wording.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 4: Potential areas for WACMs:

<table>
<thead>
<tr>
<th>Reference to Section for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Will this be amended and updated in the Original Proposal or should this become a WACM?</th>
</tr>
</thead>
</table>
| 8.16.8                          | Remove reference to Paragraph 8.29 | **Suggestion**  
Workgroup Member questioned why there is a reference to 8.17B in respect of CGR3? The view of the Workgroup was that if any kind of Proposal was not received by 5 working days then it should go to the next Panel Meeting. | This point is being reviewed by Ofgem.  
If agree that shouldn’t include the reference the original will be updated.  
If Ofgem do not agree to the deletion it could be an option for a potential WACM. |
| 8.17.6A                         | Insertion of statement | **Suggestion**  
Workgroup Member suggested the preceding text was open to interpretation and an additional statement is required to ensure provide clarity of the Authority’s intentions. | Updated in Annex 2 for information but with Ofgem to determine if additional wording required.  
If Ofgem confirm the wording the original will be updated.  
If Ofgem do not agree to additional wording may be an option for a potential WACM. |
| 8.17.B.2                        | Include reporting items a-k whilst keeping a focus on importance of a-c in order to include all reporting elements | **Suggestion**  
Workgroup Member suggested an Authority Led Proposal should include just as much information and items as a standard Report to promote consistency and understanding for Industry. | This point is being reviewed by Ofgem.  
If agree that additional wording should be included the original will be updated.  
If Ofgem do not agree to the additional wording could be an option for a potential WACM. |
| 8.17.B.4 | Duplication and requires rewording | **Suggestion**  
Workgroup Member suggested 8.17.B.3 and 8.17.B.4 is a repetition of s8.17.B and so proposed re-wording. | This point is being reviewed by Ofgem. If agree that additional wording should be included the original will be updated. If Ofgem do not agree to the additional wording could be an option for a potential WACM. |
5 Workgroup Consultation Responses

5.1 The Workgroup Consultation was issued on 10 January 2017 for 10 Working Days, with a close date of 24 January 2017. In addition to the standard Workgroup consultation questions, the Workgroup asked two specific questions:

- Do you agree with the changes made to the original proposal and if not please describe why.
- Are there any additional areas that the Workgroup should consider?

5.2 Two responses were received to the Workgroup Consultation and are detailed in the table 5 below.

5.3 The Workgroup noted the responses received.

Table 5: Workgroup Consultation responses

<table>
<thead>
<tr>
<th>Response from</th>
<th>Q1: Do you believe that CMP272 Original proposal or either of the potential options for change better facilitates the Applicable CUSC Objectives?</th>
<th>Q2: Do you support the proposed implementation approach?</th>
<th>Q3: Do you have any other comments?</th>
<th>Q4: Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?</th>
<th>Q5: Do you agree with the changes made to the original proposal and if not please describe why</th>
<th>Q6: Are there any additional areas that the Workgroup should consider?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garth Graham (SSE)</td>
<td>We believe that CMP272 Original (as revised in accordance with those elements listed in Tables 1, 2 and 3 of the Consultation document) and the potential Alternative(s) (constituting those elements listed in</td>
<td>We support the proposed implementation approach set out in Section 7 of the Consultation document.</td>
<td>We note that Table 4 lists items (relating to 8.16.8, 8.17.6A, 8.17.B2 and 8.17.B.4) which both individually and collectively are enhancements to the Original which ensure that any Alternative(s) with them</td>
<td>No.</td>
<td>We agree with all the changes made to the Original proposal as it clear that they address typographical error, ensure consistency of approach and provide clarity. All these attributes ensure that these changes better</td>
<td>None at this time.</td>
</tr>
</tbody>
</table>
Table 4 of the Consultation document) do better facilitate Applicable Objectives (a) and (d) for the reasons set out in the Proposal.

| James Anderson (Scottish Power) | CMP272 Original Proposal and the potential WACM incorporating the changes outlined in Table 4 would both better meet the Applicable CUSC Objectives (ACOs) than the current baseline. In particular, we agree with the Proposer that they would better meet ACO (a) by aligning the CUSC with the Licence Conditions and ACO (d) by ensuring the efficient administration of CUSC changes arising from the SCR process and raised by the Authority. | The proposed implementation approach is appropriate. | We would support the inclusion of the additional changes to the legal text outlined in Table 4 within the Original Proposal as this would improve consistency of a Final Modification Report (FMR) arising from an SCR with FMRs arising from Modifications raised through other means. | facilitate Applicable Objectives (a) and (d) than if these changes were not made (and the initial legal text that accompanied the Original submitted proposal stood). | No. | Yes. We agree with the changes proposed in Tables 1, 2, 3 and 4 | No. |
6 Post Workgroup Consultation Discussions

6.1 The Workgroup Consultation provided information on aspects of potential legal text changes that were to be reviewed by Ofgem. At its meetings following the Workgroup Consultation the Workgroup discussed the response from Ofgem on the potential changes and the implications of these. The views on each of the potential changes are summarised in table 6 below.

6.2 The Workgroup focussed discussions on Section 8.17.6 and the end of a Significant Code Review Phase and the implications of CGR3 introducing the ability for the Authority to lead an end to end CUSC SCR Modification. The Workgroup raised concerns that the way the Original Proposed text was drafted did not clearly indicate that:

- The Authority could instruct The Company (National Grid) to raise a CUSC Modification Proposal; or
- The Authority could raise a CUSC Modification Proposal that followed standard industry practice (e.g. Industry Workgroups); or
- The Authority could raise a CUSC Modification Proposal and run the process end to end.
Table 6: Summary of discussions and outcome

Key:

<table>
<thead>
<tr>
<th>Colour</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indicates that the original proposal has been updated.</td>
</tr>
<tr>
<td></td>
<td>Original Proposed text to be retained with no changes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change No</th>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Post Workgroup Consultation Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.16.10</td>
<td>Removal of the repetition of the word ‘and’</td>
<td>Typo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workgroup member raised whether an additional ‘and’ was needed because then the paragraph is read as a whole there seems to be an unnecessary repetition of the word ‘and’</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>2</td>
<td>8.17.6A(b)</td>
<td>Reference to 18.17.8 which should be 8.17.8</td>
<td>Typo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workgroup Member highlighted a typo in the reference to 18.17.8 which should be 8.17.8. The Proposer accepted this change as a typo.</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>3</td>
<td>8.17.6A(c)</td>
<td>Reference to 8.17.6B.2 which should be 8.17.B.3</td>
<td>Typo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workgroup questioned whether this is the correct reference and whether it should refer to 8.17.B.3 instead and also why reference to 8.71.6B.2</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>4</td>
<td>8.17.12</td>
<td>Reference to Paragraph 8.17.8 should be 8.17.11</td>
<td>Typo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workgroup Member highlighted error in reference to paragraph</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>5</td>
<td>8.17.12</td>
<td>Reference to</td>
<td>Typo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Accepted to be incorporated into</td>
<td></td>
</tr>
<tr>
<td>Change No</td>
<td>Section 8 Reference highlighted for change</td>
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<td>Reason: Typo/Consistency/Clarity/Suggestion</td>
<td>Post Workgroup Consultation Update</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>8.17.6(a) which should be 8.17.6(b)</td>
<td>Paragraph 8.17.6(a) is applicable to NGET and not Authority Led modifications and so Paragraph 8.17.6(b) should be referenced instead.</td>
<td>Original Proposal.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>8.17.B.1</td>
<td>Reference should be made to Paragraph 8.17.C</td>
<td>Typo Workgroup Member highlighted this as a typo in the reference of paragraph to backstop direction.</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>7</td>
<td>8.17C.1</td>
<td>Phrase should also be in bold</td>
<td>Typo Paragraph 8.17C: rather than referring to “Significant Code Review phase”, this paragraph should use the defined term (i.e., it should read “Significant Code Review Phase”).</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>8</td>
<td>8.17C.1</td>
<td>Phase should also be in bold – covers 2nd ref in the paragraph</td>
<td>Typo Paragraph 8.17C: rather than referring to “Significant Code Review phase”, this paragraph should use the defined term (i.e., it should read “Significant Code Review Phase”).</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>9</td>
<td>8.17.6A(b)</td>
<td>Insert ‘an Authority Led CUSC Modification’ as new wording</td>
<td>Consistency Workgroup Member raised an inconsistency and suggested ‘an Authority Led CUSC Modification’ to be the new wording as per the definition used in Section 11.</td>
<td>Accepted to keep original proposal.</td>
</tr>
<tr>
<td>Change No</td>
<td>Section 8 Reference highlighted for change</td>
<td>Suggested Amendment</td>
<td>Reason: Typo/Consistency/Clarity/Suggestion</td>
<td>Post Workgroup Consultation Update</td>
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</tr>
<tr>
<td>10</td>
<td>8.17.8</td>
<td>Insertion of ‘Authority Led Modification’</td>
<td><strong>Consistency</strong>&lt;br&gt;As mentioned above, Workgroup Member suggested creating consistency with Section 11.</td>
<td>Accepted to keep Original Proposal</td>
</tr>
<tr>
<td>11</td>
<td>8.17.10</td>
<td>Reference to Paragraph 8.17.6(a)</td>
<td><strong>Consistency</strong>&lt;br&gt;Workgroup Member suggested that we add (a) for clarity of the paragraph being referenced to.</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>12</td>
<td>8.17.12</td>
<td>Reference to Paragraph 8.17.6(a)</td>
<td><strong>Consistency</strong>&lt;br&gt;Workgroup Member suggested that we add (a) for clarity of the paragraph being referenced to.</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>13</td>
<td>8.17A.2 (b)</td>
<td>Insertion of ‘Authority Led Modification’</td>
<td><strong>Consistency</strong>&lt;br&gt;As mentioned above, Workgroup Member suggested creating consistency with Section 11.</td>
<td>Accepted to keep Original Proposal</td>
</tr>
<tr>
<td>14</td>
<td>8.17A.3</td>
<td>Insertion of the wording ‘Authority Led Modification’</td>
<td><strong>Consistency</strong>&lt;br&gt;As mentioned above, Workgroup Member suggested creating consistency with Section 11.</td>
<td>Accepted to keep Original Proposal</td>
</tr>
<tr>
<td>15</td>
<td>8.17A.8</td>
<td>Insertion of the wording ‘Authority Led Modification’</td>
<td><strong>Consistency</strong>&lt;br&gt;As mentioned above, Workgroup Member suggested creating consistency with Section 11.</td>
<td>Accepted to keep Original Proposal</td>
</tr>
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</tr>
</tbody>
</table>
| 16        | 8.17.B.7                                 | Insertion of wording from 8.17.9 and correct defined terms. | Consistency  
Workgroup Member suggested inserting wording to create consistency with 8.17.9 as well as making use of the correct defined terms of the voting rights of Panel Members | Accepted to be incorporated into Original Proposal. |
| 17        | 8.17.9                                  | Retain the use of the word ‘such’ | Clarity  
Workgroup Member suggested keeping the word ‘such’ because if it is removed it would imply any Authority conclusions and directions on anything may be considered as part of CGR3 opposed to only those in relation to SCR. | Accepted to keep Original Proposal |
| 18        | 8.17A.1                                 | Text to be amended so that it is clear who can raise the Proposal | Clarity  
Workgroup Member suggested re-wording of this paragraph to keep the intent but to distinguish between CUSC Led Modification and Authority Led Modification route. | Accepted to be incorporated into Original Proposal. |
| 19        | 8.17A.4                                 | Insertion of reference to Paragraph 8.17A.1(b) | Clarity  
Workgroup Member suggested adding reference to (b) for completeness of the point being made elaborating that this section was written for National Grid to be able to withdraw an Authority Led CUSC Modification Proposal. | Accepted to keep Original Proposal |
| 20        | 8.17.B2(d)                              | Use of the word ‘proposed’ as | Clarity  
Workgroup Member suggested rewording to save confusion between a | Accepted to be incorporated into Original Proposal. |
<table>
<thead>
<tr>
<th>Change No</th>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Type/Consistency/Clarity/Suggestion</th>
<th>Post Workgroup Consultation Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>8.17.B.3</td>
<td>Removal of the word 'urgency'</td>
<td>Clarity&lt;br&gt;Workgroup Member suggested that when this paragraph is read in its entirety the wording implies that all Authority Led Modifications are to be treated as 'urgent'. However, they may or may not be 'urgent'.</td>
<td>Accepted to be incorporated into Original Proposal with additional wording taken from the licence.</td>
</tr>
<tr>
<td>22</td>
<td>8.17.B.5</td>
<td>Insertion of 8.17B.2 (d)</td>
<td>Clarity&lt;br&gt;Workgroup Member suggested adding (d) for completeness and clarity.</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>23</td>
<td>8.17.B.5</td>
<td>Removal of the word 'urgency'</td>
<td>Clarity&lt;br&gt;As per above, Workgroup Member suggested that when this paragraph is read in its entirety the wording implies that all Authority Led Modifications are to be treated as ‘urgent’. However, they may or may not be ‘urgent’.</td>
<td>Accepted to be incorporated into Original Proposal with additional wording taken from the licence.</td>
</tr>
<tr>
<td>24</td>
<td>8.17.B.5</td>
<td>Revise wording of ‘as soon as practicable’</td>
<td>Clarity&lt;br&gt;Workgroup Member highlighted that the term ‘as soon as practicable’ implies that although the authority have the discretion to change the timetable, this wording implies that the authority can only extend the timetable and not shorten it.</td>
<td>Accepted to be incorporated into Original Proposal with additional wording taken from the licence.</td>
</tr>
<tr>
<td>25</td>
<td>8.17.C.1</td>
<td>Insertion of CUSC Led Modification</td>
<td>Clarity&lt;br&gt;Workgroup Member pointed out that a backstop direction only applies to</td>
<td>Accepted to be incorporated into Original Proposal.</td>
</tr>
<tr>
<td>Change No</td>
<td>Section 8 Reference highlighted for change</td>
<td>Suggested Amendment</td>
<td>Reason: Typo/Consistency/Clarity/Suggestion</td>
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</tr>
</tbody>
</table>
| 26        | 8.16.8                                   | Remove reference to Paragraph 8.29 | **Suggestion**  
Workgroup Member questioned why there is a reference to 8.17B in respect of CGR3? The view of the Workgroup was that if any kind of Proposal was not received by 5 working days then it should go to the next Panel Meeting. | Accepted to keep Original Proposal |
| 27        | 8.17.6A                                  | Insertion of statement | **Suggestion**  
Workgroup Member suggested the preceding text was open to interpretation and an additional statement is required to ensure provide clarity of the Authority’s intentions. | Accepted to keep Original Proposal |
| 28        | 8.17.B.2                                 | Include reporting items a-k whilst keeping a focus on importance of a-c in order to include all reporting elements | **Suggestion**  
Workgroup Member suggested an Authority Led Proposal should include just as much information and items as a standard Report to promote consistency and understanding for Industry. | Accepted to be incorporated into Original Proposal with insertion of ‘as identified in the licence’ |
| 29        | 8.17.B.4                                 | Duplication and requires rewording | **Suggestion**  
Workgroup Member suggested 8.17.B.3 and 8.17.B.4 is a repetition of s8.17.B and so proposed re-wording. | Accepted to be updated into Original Proposal |
<table>
<thead>
<tr>
<th>Change No</th>
<th>Section 8 Reference highlighted for change</th>
<th>Suggested Amendment</th>
<th>Reason: Typo/Consistency/Clarity/Suggestion</th>
<th>Post Workgroup Consultation Update.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Section 11</td>
<td>Insertion of definitions</td>
<td>Clarity</td>
<td>Accepted to be incorporated into Original Proposal</td>
</tr>
</tbody>
</table>
7 Workgroup Vote

7.1 The Workgroup believe that the Terms of Reference have been fulfilled and CMP272 has been fully considered.

7.2 The Workgroup considered a number of options that could have become potential Workgroup Alternative CUSC Modifications (WACMs) but considered that as the Original Proposal had been updated to reflect the areas of concern no potential WACMs should be proposed.

7.3 The Workgroup met on 3 February 2017 and voted on whether the Original would better facilitate the Applicable CUSC Objectives than the baseline and what option was best overall. Note vote 2 (does the WACM facilitate the objectives better than the Original) was not held due to no WACMs being proposed.

7.4 The voting record is detailed below.

**Vote 1: does the original or WACM facilitate the objectives better than the Baseline?**

<table>
<thead>
<tr>
<th>Workgroup Member</th>
<th>Better facilitates ACO (a)</th>
<th>Better facilitates ACO (b)?</th>
<th>Better facilitates ACO (c)?</th>
<th>Better facilitates ACO (d)?</th>
<th>Overall (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caroline Wright – National Grid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>Y</td>
<td>-Neutral</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Voting Statement: The updated Original Proposal correctly reflects the required Licence changes.

<table>
<thead>
<tr>
<th>Workgroup Member</th>
<th>Better facilitates ACO (a)</th>
<th>Better facilitates ACO (b)?</th>
<th>Better facilitates ACO (c)?</th>
<th>Better facilitates ACO (d)?</th>
<th>Overall (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garth Graham – SSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>Y</td>
<td>-Neutral</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Voting Statement: The updated Original Proposal correctly reflects the required Licence changes.

<table>
<thead>
<tr>
<th>Workgroup Member</th>
<th>Better facilitates ACO (a)</th>
<th>Better facilitates ACO (b)?</th>
<th>Better facilitates ACO (c)?</th>
<th>Better facilitates ACO (d)?</th>
<th>Overall (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Anderson – Scottish Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Voting Statement: The updated Original Proposal correctly reflects the required Licence changes.

### Vote 3: Which option is best?

<table>
<thead>
<tr>
<th>Workgroup Member</th>
<th>BEST Option?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caroline Wright – National Grid</td>
<td>Original</td>
</tr>
<tr>
<td>Garth Graham – SSE</td>
<td>Original</td>
</tr>
<tr>
<td>James Anderson – Scottish Power</td>
<td>Original</td>
</tr>
</tbody>
</table>
### 8 Code Administrator Consultation Responses

<table>
<thead>
<tr>
<th>Response from</th>
<th>Q1: Do you believe that CMP272 better facilitates the Applicable CUSC objectives? Please include your reasoning.</th>
<th>Q2: Do you support the proposed implementation approach? If not, please provide reasoning why.</th>
<th>Q3: Do you have any other comments?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garth Graham (SSE)</td>
<td>We believe that CMP272 does better facilitate the Applicable CUSC Objectives.</td>
<td>We support the implementation approach as set out in section 11 of the consultation document.</td>
<td>We would like to thank the Workgroup and in particular Ofgem and National Grid for taking on-board the many amendments / additions; shown in Table 6 in the consultation document; to the initial version of the CMP272 proposal that have been highlighted in the Workgroup deliberations (and via the Workgroup consultation).</td>
</tr>
</tbody>
</table>

- Applicable CUSC Objective (a) ‘the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence’ by ensuring that the CUSC correctly reflects the conditions under which the Authority can raise or direct the licensee to raise Modifications relating to electricity regulation.
- Applicable CUSC Objective (d) ‘promoting efficiency in the implementation and administration of the CUSC arrangements’ by ensuring that the CUSC accurately reflects the provisions set out in Standard Licence Conditions to permit the Authority to raise
Modification Proposals and SCR processes, ensuring such Modifications Proposals are progressed efficiently and effectively."

| James Anderson  
(Scottish Power) | We believe that CMP272 overall better facilitates the Applicable CUSC Objectives, in particular; Objective (a) by aligning the CUSC modification process with the Code Governance changes introduced in Conditions C5 and C10 of National Grid's Transmission Licence and; Objective (d) by improving administration of the CUSC by ensuring the modification process efficiently reflects the requirements of the Transmission Licence. CMP272 is neutral against Objectives (b) and (c). | Yes | No |
9 CUSC Panel Recommendation Vote

9.1 The CUSC Panel met on 24 February 2017 and voted on the Original Proposal.

9.2 For reference the Applicable CUSC Objectives are;
   
   (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License
   
   (b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity
   
   (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency
   
   (d) Promoting efficiency in the implementation and administration of the system charging methodology (Note this is a new objective that will be introduced under CGR3)

9.3 The Panel voted on CMP272 against the Applicable CUSC Objectives and unanimously agreed that the Original was better than the Baseline.

9.4 For Vote 1 and Vote 2, each Panel member provided their voting opinion. Nikki Jamieson and Paul Jones sent their apologies to the CUSC Panel. Andy Wainwright attended the Panel as Nikki Jamieson’s alternate and Paul Jones provided his voting rights to Simon Lord. The voting statements supporting the voting opinions are shown after their voting opinions as follows;

**Vote 1**

<table>
<thead>
<tr>
<th>Panel Member</th>
<th>Better facilitates ACO (a)</th>
<th>Better facilitates ACO (b)?</th>
<th>Better facilitates ACO (c)?</th>
<th>Better facilitates ACO (d)?</th>
<th>Overall (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Anderson</td>
<td>Yes</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Andy Pace</td>
<td>Yes</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kyle Martin</td>
<td>Yes</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Garth Graham</td>
<td>Yes</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Andy Wainwright</td>
<td>Yes</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Paul Jones (Simon Lord)</td>
<td>Yes</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Cem Suleyman:
I believe that CMP272 Original better facilitates Applicable CUSC Objectives (a) and (d) for the same reasons stated in Paragraph 10.1 in the Final Modification Report.

James Anderson:
CMP272 overall better facilitates the Applicable CUSC Objectives, in particular;
Objective (a) by aligning the CUSC modification process with the Code Governance arrangements introduced in Conditions C5 and C10 of National Grid's Transmission Licence and;
Objective (d) by improving administration of the CUSC by ensuring the modification process efficiently reflects the requirements of the Transmission Licence.
CMP272 is neutral against Objectives (b) and (c).
Andy Pace:
The updated Original Proposal correctly reflects the required Licence changes.

Simon Lord and Paul Jones:
The updated Original Proposal correctly reflects the required Licence changes.

Andy Wainwright:
CMP272 correctly reflects the required Code Governance Review 3 (CGR3) Licence changes which introduced amendments to the Significant Code Review (SCR) process within Section 8 and Section 11 of the CUSC. The updated Original Proposal provides better clarity and closed interpretation by the use of the amended wording and correct referencing to the relevant sections. Therefore, the updated Original Proposal better facilitates Applicable CUSC Objectives a, c and d whilst being neutral to b and thus we support the updated Original Proposal.

Garth Graham:
I believe that CMP272 does better facilitate the Applicable CUSC Objectives.

The reasoning for this is echoed in paragraph 10.1 of the consultation document, namely:-

“Applicable CUSC Objective (a) ‘the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence’ by ensuring that the CUSC correctly reflects the conditions under which the Authority can raise or direct the licensee to raise Modifications relating to electricity regulation.

Applicable CUSC Objective (d) ‘promoting efficiency in the implementation and administration of the CUSC arrangements’ by ensuring that the CUSC accurately reflects the provisions set out in Standard Licence Conditions to permit the Authority to raise Modification Proposals and SCR processes, ensuring such Modifications Proposals are progressed efficiently and effectively.”

Paul Mott:
The updated Original Proposal correctly reflects the required Licence changes.
10 Impact and Assessment

Impact on the CUSC

10.1 Changes to Section 8 and 11 – please refer to section 4 and Annex 1 and Annex 2 for the legal text changes.

Consumer Impacts

10.2 The Proposer considers that this will not have any material impact on consumers from the implementation of this Modification.

Environment Impacts

10.3 The Workgroup has not assessed the impact on Greenhouse Gas Emissions.

Engagement with Authority

10.4 Ofgem has been fully engaged with the changes to the Codes and Licences that National Grid administer.

Impact on Core Industry Documents

10.5 None

Impact on other Industry Documents

10.6 None

Costs

<table>
<thead>
<tr>
<th>Code administration costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource costs</strong></td>
<td>£8,168 - 3 Workgroup meetings</td>
</tr>
<tr>
<td></td>
<td>£0 - Catering</td>
</tr>
<tr>
<td><strong>Total Code Administrator costs</strong></td>
<td>£8,168</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry costs (Standard CMP)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource costs</strong></td>
<td>£8,168 - 3 Workgroup meetings</td>
</tr>
<tr>
<td></td>
<td>£7,260 - 2 Consultations</td>
</tr>
<tr>
<td>-</td>
<td>3 Workgroup meetings</td>
</tr>
<tr>
<td>-</td>
<td>3 Workgroup members</td>
</tr>
<tr>
<td>-</td>
<td>1.5 man days effort per meeting</td>
</tr>
<tr>
<td>-</td>
<td>1.5 man days effort per consultation response</td>
</tr>
<tr>
<td>-</td>
<td>4 consultation respondents</td>
</tr>
<tr>
<td>Total Industry Costs</td>
<td>£15,428</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Grand Total</td>
<td>£23,595</td>
</tr>
</tbody>
</table>

## 11 Relevant Objectives

11.1 This Proposed Modification will better facilitate:

- **Applicable CUSC Objective (a)** ‘the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence’ by ensuring that the CUSC correctly reflects the conditions under which the Authority can raise or direct the licensee to raise Modifications relating to electricity regulation.

- **Applicable CUSC Objective (d)** ‘promoting efficiency in the implementation and administration of the CUSC arrangements’ by ensuring that the CUSC accurately reflects the provisions set out in Standard Licence Conditions to permit the Authority to raise Modification Proposals and SCR processes, ensuring such Modifications Proposals are progressed efficiently and effectively.

11.2 The proposed changes will aid the acceleration in the change process and enable more efficient delivery of priority Modifications.


## 12 Proposed Implementation and Transition

12.1 It is proposed that CMP272 is implementation by 14 March 2017.

## 13 Draft Legal Text Changes for Original Proposal

13.1 Annex 1 contains the Original Draft Legal Text. Post the three Workgroup Meetings, which identified a number of amendments to the Original Proposal, Annex 2 contains the updated track marked legal changes. The full legal drafting provided by National Grid’s legal department and has been developed in conjunction with Ofgem’s legal department. This has been updated following discussions after the Workgroup meetings. These updates are described in sections 4 and 6 and shown in Tables 1-4 and 6.
14 Terms of Reference
CMP272 Workgroup Terms of Reference

Workgroup Terms of Reference and Membership
TERMS OF REFERENCE FOR CMP272

CMP272 seeks to implement the licence changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3).

Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal CMP272 tabled by National Grid at the Modifications Panel meeting on 14 December 2016.

2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:

   **Standard Applicable Objectives**

   (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission License;

   (b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;

   (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and

   (d) Promoting efficiency in the implementation and administration of the system charging methodology.

3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.

5. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.

6. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation
and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup’s discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.

7. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.

8. All proposed WACMs should include the Proposer(s)’s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.

9. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of 10 working days as determined by the Modifications Panel.

10. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

11. The Workgroup is to submit its final report to the Modifications Panel Secretary on 10 February 2017 for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on 17 February 2017.

Membership

12. It is recommended that the Workgroup has the following members:

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Nick Pittarello</td>
<td>National Grid</td>
</tr>
<tr>
<td>National Grid and Proposer</td>
<td>Caroline Wright</td>
<td>National Grid</td>
</tr>
<tr>
<td>Industry Representatives</td>
<td>Garth Graham</td>
<td>SSE</td>
</tr>
<tr>
<td>Industry Representatives</td>
<td>James Anderson</td>
<td>Scottish Power</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Authority Representatives</td>
<td>Nadir Hafeez</td>
<td>OFGEM</td>
</tr>
<tr>
<td>Technical secretary</td>
<td>Taran Heir</td>
<td>National Grid</td>
</tr>
</tbody>
</table>

NB: A Workgroup must comprise at least 4 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

13. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP272 is that at least FOUR Workgroup members must participate in a meeting for quorum to be met. On 5 January 2017 the CUSC Panel agreed to reduce the number of members to THREE due to no nominations being received.

14. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise. There may be up to three rounds of voting, as follows:

- Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
- Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
- Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

15. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.

16. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.

17. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
18. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.
### Appendix 1

**Proposed CMP272 Timetable**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>07 December 2016</td>
<td>CUSC Modification Proposal submitted</td>
</tr>
<tr>
<td>14 December 2016</td>
<td>CUSC Modification tabled at Panel meeting</td>
</tr>
<tr>
<td>19 December 2016</td>
<td>Panel’s view on urgency submitted to Ofgem for consultation</td>
</tr>
<tr>
<td>19 December 2016</td>
<td>Request for Workgroup members (5 Working days)</td>
</tr>
<tr>
<td>06 January 2017</td>
<td>Workgroup meeting 1</td>
</tr>
<tr>
<td>10 January 2017</td>
<td>Workgroup Consultation issued (10 Working Days)</td>
</tr>
<tr>
<td>24 January 2017</td>
<td>Deadline for responses</td>
</tr>
<tr>
<td>27 January 2017</td>
<td>Workgroup meeting 2 <em>(WG review Consultation Reponses) and agree options for WACMs and Voting</em></td>
</tr>
<tr>
<td>03 February 2017</td>
<td>Workgroup report issued to CUSC Panel</td>
</tr>
<tr>
<td>10 February 2017</td>
<td>Special CUSC Panel meeting to discuss Workgroup Report</td>
</tr>
<tr>
<td>10 February 2017</td>
<td>Code Administrator Consultation issued (5 Working days)</td>
</tr>
<tr>
<td>17 February 2017</td>
<td>Deadline for responses</td>
</tr>
<tr>
<td>17 February 2017</td>
<td>Draft FMR published for industry comment (2 Working days)</td>
</tr>
<tr>
<td>21 February 2017</td>
<td>Deadline for comments</td>
</tr>
<tr>
<td>21 February 2017</td>
<td>Draft FMR circulated to Panel</td>
</tr>
<tr>
<td>24 February 2017</td>
<td>CUSC Panel Recommendation vote</td>
</tr>
<tr>
<td>24 February 2017</td>
<td>FMR circulated for Panel comment (2 Working days)</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>Deadline for Panel comment</td>
</tr>
<tr>
<td>28 February 2017</td>
<td>Final report sent to Authority for decision</td>
</tr>
<tr>
<td>07 March 2017</td>
<td>Indicative Authority Decision due (5 Working days)</td>
</tr>
<tr>
<td>14 March 2017</td>
<td>Implementation date (5 Working days later)</td>
</tr>
</tbody>
</table>
Annex 1 – Original Draft Legal Text
(d) nothing in this Section 8 shall prevent a Proposer from submitting a revised proposal in compliance with the requirements of Paragraph 8.16.4 in respect of the same subject-matter.

8.16.6 Subject to Paragraph 8.17A.8 and without prejudice to the development of a Workgroup Alternative CUSC Modification(s) pursuant to Paragraphs 8.20.10 and 8.20.15, the CUSC Modifications Panel shall direct in the case of (a), and may direct in the case of (b), the Panel Secretary to reject a proposal pursuant to Paragraph 8.16, other than a proposal submitted by The Company pursuant to a direction issued by the Authority following a Significant Code Review in accordance with Paragraph 8.17.6, if and to the extent that such proposal has, in the opinion of the CUSC Modifications Panel, substantially the same effect as:

(a) a Pending CUSC Modification Proposal; or

(b) a Rejected CUSC Modification Proposal, where such proposal is made at any time within two (2) months after the decision of the Authority not to direct The Company to modify the CUSC pursuant to the Transmission Licence in the manner set out in such CUSC Modification Proposal,

and the Panel Secretary shall notify the Proposer accordingly.

8.16.7 Promptly upon receipt of a CUSC Modification Proposal, the Panel Secretary shall:

(a) allocate a unique reference number to the CUSC Modification Proposal;

(b) enter details of the CUSC Modification Proposal on the CUSC Modification Register.

8.16.8 Subject to Paragraphs 8.8.6, 8.29 and 8.29.17B, where the CUSC Modification Proposal is received more than five (5) Business Days prior to the next CUSC Modifications Panel meeting, the Panel Secretary shall place the CUSC Modification Proposal on the agenda of the next CUSC Modifications Panel meeting and otherwise shall place it on the agenda of the next succeeding CUSC Modifications Panel meeting.

8.16.9 It shall be a condition to the right to make a proposal to modify the CUSC under this Paragraph 8.16 that the Proposer:

(a) grants a non-exclusive royalty free licence to all CUSC Parties who request the same covering all present and future rights, IPRs and moral rights it may have in such proposal (as regards use or application in Great Britain); and

(b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any IPRs or normal rights or rights of confidence in such proposal,

and, in making a proposal, a Proposer which is a CUSC Party shall be deemed to have granted the licence and given the warranty in (a) and (b) above.
The provisions of this Paragraph 8.16.9 shall apply to any WG Consultation Alternative Request, and also to a Relevant Party supporting a CUSC Modification Proposal in place of the original Proposer in accordance with Paragraph 8.16.10 (a) for these purposes the term Proposer shall include any such Relevant Party or a person making such a WG Consultation Alternative Request.

8.16.10 Subject to Paragraph 8.17A.8 (which deals with rejection by the Panel Secretary of CUSC Modification Proposals which are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency), and Paragraph 8.17A.4 (which deals with withdrawal of a CUSC Modification Proposal in relation to a Significant Code Review) and Paragraph 8.17C.1 (which deals with the withdrawal of a CUSC Modification Proposal following a Backstop Direction) and Paragraph 8.17.7, (which deals with the withdrawal of a CUSC Modification Proposal made pursuant to a direction following a Significant Code Review), a Proposer may withdraw his support for a Standard CUSC Modification Proposal by notice to the Panel Secretary at any time prior to the CUSC Modifications Panel Recommendation Vote undertaken in relation to that Standard CUSC Modification Proposal pursuant to Paragraph 8.23.4, and a Proposer may withdraw his support for a CUSC Modification Proposal that meets the Self-Governance Criteria by notice to the Panel Secretary at any time prior to the CUSC Modifications Panel Self-Governance Vote undertaken in relation to that CUSC Modification Proposal pursuant to Paragraph 8.25.9, and a Proposer may withdraw his support for a CUSC Modification Fast Track Proposal by notice to the Panel Secretary at any time prior to the Panel’s vote on whether to approve the CUSC Modification Fast Track Proposal pursuant to Paragraph 8.29, in which case the Panel Secretary shall forthwith:

(a) notify those parties specified in Paragraph 8.16.1 as relevant in relation to the CUSC Modification Proposal in question (a “Relevant Party”) that he has been notified of the withdrawal of support by the Proposer by publication on the Website and (where relevant details are supplied) by electronic mail. A Relevant Party may within five (5) Business Days notify the Panel Secretary that it is prepared to support the CUSC Modification Proposal in place of the original Proposer. If such notice is received, the name of such Relevant Party shall replace that of the original Proposer as the Proposer, and the CUSC Modification Proposal shall continue. If more than one notice is received, the first received shall be utilised;

(b) if no notice of support is received under (a), the matter shall be discussed at the next CUSC Modifications Panel meeting. If the CUSC Modifications Panel so agrees, it may notify Relevant Parties that the CUSC Modification Proposal is to be withdrawn, and a further period of five (5) Business Days shall be given for support to be indicated by way of notice;

(c) if no notice of support is received under (a) or (b), the CUSC Modification Proposal shall be marked as withdrawn on the CUSC Modification Register;

Code Administrator as Critical Friend
8.16.11 The Code Administrator shall provide assistance insofar as is reasonably practicable and on reasonable request to parties with an interest in the CUSC Modification Process (including, in particular, Small Participants and consumer representatives, and, for the purposes of preparing modifications to the Charging Methodologies only, MATERIALLY AFFECTED PARTIES) that request it in relation to the CUSC, as provided for in the Code Administration Code of Practice, including, but not limited to, assistance with:

(a) Drafting a CUSC Modification Proposal including, in relation to MATERIALLY AFFECTED PARTIES, drafting a CUSC Modification Proposal in respect of the Charging Methodologies;

(b) Understanding the operation of the CUSC;

(c) Their involvement in, and representation during, the CUSC Modification Process (including but not limited to CUSC Modifications Panel, and/or Workgroup meetings) as required or as described in the Code Administration Code of Practice; and

(d) Accessing information relating to the Charging Statements (subject to any charge made by The Company to cover its reasonable costs of providing the Charging Statements in accordance with Paragraph 8.16.12), and any amendment, revision or notice of proposed amendment to the Charging Statements, CUSC Modification Proposals and/or CUSC Modifications Proposals that have been implemented.

8.16.12 The Company may provide information in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology) of the Transmission Licence; and insofar as reasonably practicable, the provision by The Company of such other information or assistance as a MATERIALLY AFFECTED PARTY may reasonably request for the purposes of preparing a proposal to modify the Charging methodologies.

8.17 SIGNIFICANT CODE REVIEW

Significant Code Review Phase

8.17.1 If any party specified under Paragraph 8.16.1 makes a CUSC Modification Proposal during a Significant Code Review Phase, unless exempted by the Authority or unless Paragraph 8.17.4(b) applies, the CUSC Modifications Panel shall assess whether the CUSC Modification Proposal falls within the scope of a Significant Code Review and the applicability of the exceptions set out in Paragraph 8.17.4 and shall notify the Authority of its assessment, its reasons for that assessment and any representations received in relation to it as soon as practicable.

8.17.2 The CUSC Modifications Panel shall proceed with the CUSC Modification Proposal made during a Significant Code Review Phase in accordance with Paragraph 8.18 (notwithstanding any consultation undertaken pursuant to Paragraph 8.17.5 and its outcome), unless directed otherwise by the Authority pursuant to Paragraph 8.17.3.

8.17.3 Subject to Paragraph 8.17.4, the Authority may at any time direct that a CUSC Modification Proposal made during a Significant Code Review Phase falls within the scope of a Significant Code Review and must not be
made during the Significant Code Review Phase. If so directed, the CUSC Modifications Panel will not proceed with that CUSC Modification Proposal. and the Proposer shall decide whether the CUSC Modification Proposal shall be withdrawn or suspended until the end of the Significant Code Review Phase. If the Proposer fails to indicate its decision whether to withdraw or suspend the CUSC Modification Proposal within twenty-eight (28) days of the Authority’s direction, it shall be deemed to be suspended. If the CUSC Modification Proposal is suspended, it shall be open to the Proposer at the end of the Significant Code Review Phase to indicate to the CUSC Modifications Panel that it wishes that CUSC Modification Proposal to proceed, and it shall be considered and taken forward in the manner decided upon by the CUSC Modifications Panel at the next meeting, and it is open to the CUSC Modifications Panel to take into account any work previously undertaken in respect of that CUSC Modification Proposal. If the Proposer makes no indication to the CUSC Modifications Panel within twenty-eight (28) days of the end of the Significant Code Review Phase as to whether or not it wishes the CUSC Modification Proposal to proceed, it shall be deemed to be withdrawn.

8.17.4 A CUSC Modification Proposal that falls within the scope of a Significant Code Review may be made where:

(a) the Authority so determines, having taken into account (among other things) the urgency of the subject matter of the CUSC Modification Proposal; or

(b) the CUSC Modification Proposal is made by The Company pursuant to Paragraph 8.17.6.

8.17.5 Where a direction under Paragraph 8.17.3 has not been issued, paragraph 8.17.4 does not apply and the CUSC Modifications Panel considers that a CUSC Modification Proposal made during a Significant Code Review Phase falls within the scope of a Significant Code Review, the CUSC Modifications Panel may consult on its suitability as part of the Standard CUSC Modification Proposal route set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

End of Significant Code Review Phase

8.17.6 Within twenty-eight (28) days after the Authority has published its Significant Code Review conclusions, the Authority may:

(a) issue to The Company directions, including directions to The Company to make CUSC Modification Proposals; or

(b) itself make a CUSC Modification Proposal arising from the relevant Significant Code Review.

8.17.6A If the Authority issues a statement that it will continue work and/or issue a direction in accordance with Paragraph 8.17.6C, then the Significant Code Review Phase will be deemed to have ended when:

(a) the Authority issues a statement that the Significant Code Review Phase has ended;

(b) one of the circumstances in Paragraphs 8.17.6(a) or 18.17.8 occurs (irrespective of whether such circumstance occurs within 28 days after the
**Authority** has published its **Significant Code Review conclusions**: or

(c) the **Authority** makes a decision consenting or otherwise to the modification of the **CUSC** following the **CUSC Modification Panel**'s submission of its report under Paragraph 8.17.6B.2.

**8.17.7** Where the **Authority** issues directions pursuant to Paragraph 8.17.6(a) the **Company** shall comply with those directions and the **Significant Code Review Phase** shall be deemed to have ended on the date on which the **Company** makes a **CUSC Modification Proposal** in accordance with the **Authority**'s directions.

**8.17.8** Where the **Authority** makes a **CUSC Modification Proposal** in accordance with the **Authority**'s directions pursuant to 8.17.6(b), the **Significant Code Review Phase** shall be deemed to have ended on the date on which the **Authority** makes such **CUSC Modification Proposal**.

**8.17.9** Where a **CUSC Modification Proposal** is raised pursuant to Paragraph 8.17.6, that **CUSC Modification Proposal** shall be treated as a **Standard CUSC Modification Proposal** and shall proceed through the process for **Standard CUSC Modification Proposals** set out in Paragraphs 8.18, 8.19, 8.20, 8.22 and 8.23. **Such Authority** conclusions and directions shall not fetter the voting rights of the **Panel Members** or any recommendation it makes in relation to any **CUSC Modification Proposal** or the recommendation procedures informing the **CUSC Modification Report**.

**8.17.10** The **Company** may not, without the prior consent of the **Authority**, withdraw a **CUSC Modification Proposal** made pursuant to a direction issued by the **Authority** pursuant to Paragraph 8.17.6.

**8.17.11** If within twenty-eight (28) days after the **Authority** has published its **Significant Code Review conclusions**, the **Authority** issues to the **Company** a statement that no directions will be issued in relation to the **CUSC**, then the **Significant Code Review Phase** shall be deemed to have ended on the date of such statement.

**8.17.12** Unless the **Authority** issues a statement in accordance with Paragraph 8.17.6A, if up to and including twenty-eight (28) days from the **Authority**’s publication of its **Significant Code Review conclusions**, the **Authority** has issued to the **Company** neither directions pursuant to Paragraph 8.17.6, nor a statement pursuant to Paragraph 8.17.8, nor has the **Authority** made a **CUSC Modification Proposal** as described in Paragraph 8.17.6(a) then the **Significant Code Review Phase** will be deemed to have ended.

---

**8.17A** **AUTHORITY RAISED OR DIRECTED MODIFICATION**

8.17A.1 The **Authority** may:

(a) itself; or

(b) direct the **Company** to

raise a **CUSC Modification Proposal** that is in respect of a **Significant Code Review** or where the **Authority** reasonably...
considers that such CUSC Modification Proposal is necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency.

8.17A.2 The Company shall comply with any directions from the Authority in relation to setting and/or amending a timetable for;

(a) the raising of a CUSC Modification Proposal pursuant to Paragraph 8.17A.1(b); and/or

(b) where the Authority has approved a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1, implementation of such CUSC Modification Proposal.

8.17A.3 In respect of a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1, the CUSC Modification Panel shall comply with any timetable(s) directed by the Authority in relation to setting and/or amending a timetable for the completion of all relevant steps of the CUSC Modification Process or such other processes set out in this Section 8.

8.17A.4 Notwithstanding any other Paragraphs in this Section 8, a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1:

(a) shall not be withdrawn by the Transmission Company and/or the CUSC Modification Panel without the prior consent of the Authority.

(b) shall not be amalgamated with any other CUSC Modification Proposal without the prior consent of the Authority.

8.17A.5 If, pursuant to paragraph 8.17A.4(a), the Authority consents to the withdrawal of a CUSC Modification Proposal, the provisions of Paragraph 8.16.10 shall apply to such CUSC Modification Proposal.

8.17A.6 In respect of any CUSC Modification Proposal which has been raised pursuant to Paragraph 8.17A.9, the views of the relevant Workgroup, the voting rights of the CUSC Modifications Panel or the recommendation of the CUSC Modifications Panel shall not be fettered or restricted notwithstanding that such CUSC Modification Proposal has been raised under Paragraph 8.17A.9.

8.17A.7 A CUSC Modification Proposal shall still be assessed against the Self Governance Criteria and Fast Track Criteria notwithstanding that it has been raised pursuant to Paragraph 8.17A.1.

8.17A.8 A CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1 shall not be rejected by the Panel Secretary pursuant to Paragraphs 8.16.5 or 8.16.6.

8.17A.9 In relation to any CUSC Modification Proposal raised by The Company other than pursuant to Paragraph 8.17A.1, where the Authority reasonably considers such CUSC Modification Proposal to be necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decision of the European Commission and/or the Agency, the provisions of
8.17B AUTHORITY LED SCR MODIFICATION

8.17B.1 Where the Authority has issued a statement in accordance with Paragraph 8.17.6A and/or a Backstop Direction in accordance with Paragraph 8.17.6C, the Authority may submit an Authority Led CUSC Modification Proposal for an Authority Led CUSC Modification directly to the CUSC Panel.

8.17B.2 In response to an Authority Led CUSC Modification Proposal the CUSC Panel shall prepare an Authority Led CUSC Modification Report which shall include:

(a) an evaluation of the proposed modification; and

(b) an assessment of the extent to which the proposed modification would better facilitate achievement of the applicable CUSC objective(s); and

(c) a detailed explanation of the CUSC Panel’s reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time); and

(d) a timetable for implementation of the modification, including the date with effect from which such modification could take effect.

8.17B.3 The Authority Led CUSC Modification Report shall be submitted to the Authority as soon after the Authority Led CUSC Modification Proposal is submitted for evaluation as is appropriate (taking into account the complexity, importance and urgency of the modification).

8.17B.4 The Authority can require the revision and re-submission of the Authority Led CUSC Modification Report, such resubmission to be made, if required by a direction issued by the Authority in accordance with Paragraph 8.23.12, as soon after the Authority’s direction as is appropriate (taking into account the complexity, importance and urgency of the modification).

8.17B.5 The timetable referred to in Paragraph 8.17B.2 for implementation of any modification shall be in accordance with any direction(s) issued by the Authority for the implementation of a modification pursuant to Paragraph 8.17A.2, or where no such direction has been issued by the Authority, the timetable shall be such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the complexity, importance and urgency of the modification with the Authority having discretion to change the timetable.

8.17B.6 The timetable for the completion of the procedural steps for an Authority Led CUSC Modification, as outlined in Paragraphs 8.17B.2, 8.17B.3, 8.17B.4, shall be set by the Authority in its sole discretion.

8.17B.7 The Authority’s published conclusions and Authority Led CUSC Modification Proposal shall not fetter the voting rights of the members of the CUSC Panel or the recommendation procedures informing the report.
8.17C BACKSTOP DIRECTION

8.17C.1 Where a CUSC Modification Proposal has been made in relation to a Significant Code Review in accordance with Paragraph 8.17A.1 or 8.17B.1 the Authority may issue a direction (a "Backstop Direction"), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review phase to recommence. Paragraph 8.16.10 shall not apply when a Backstop Direction is issued.

8.18 CUSC MODIFICATION PROPOSAL EVALUATION

8.18.1 This Paragraph 8.18 is subject to the Urgent CUSC Modification Proposals procedures set out in Paragraph 8.24 and the Significant Code Review procedures set out in Paragraph 8.17.

8.18.2 A CUSC Modification Proposal shall, subject to Paragraph 8.16.8, be discussed by the CUSC Modifications Panel at the next following CUSC Modifications Panel meeting convened.

8.18.3 The Proposer's representative shall attend such CUSC Modifications Panel meeting and the CUSC Modifications Panel may invite the Proposer's representative to present his CUSC Modification Proposal to the CUSC Modifications Panel.

8.18.4 The CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Self-Governance Criteria.

8.18.5 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.25 in respect of any CUSC Modification Proposal that the CUSC Modifications Panel considers meets the Self-Governance Criteria unless the Authority makes a direction in accordance with Paragraph 8.25.2 and in such a case that CUSC Modification Proposal shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.6 Unless the Authority makes a direction in accordance with Paragraph 8.25.4, a CUSC Modification Proposal that the CUSC Modifications Panel considers does not meet the Self-Governance Criteria shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.7 The CUSC Modifications Panel shall evaluate each CUSC Modification Fast Track Proposal against the Fast Track Criteria.

8.18.8 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.29 in respect of any CUSC Modification Fast Track Proposal. The provisions of Paragraphs 8.19 to 8.25 shall not apply to a CUSC Modification Fast Track Proposal.

8.19 PANEL PROCEEDINGS
has undertaken all preparatory steps necessary to undertake the activity in 1 above; the date which is 30
days (or the first Business Day following this) from the
date of payment of the Cancellation Charge by the User;

"Short Term Capacity"
the right to export on to the National Electricity Transmission
System power in accordance with the provisions of CUSC;

“Significant Code Review”
a review of one or more matters which the Authority considers is
likely to:

(a) relate to the CUSC (either on its own or in conjunction with other
    Industry Codes); and

(b) be of particular significance in relation to its principal objective
    and/or general duties (under section 3A of the Act), statutory
    functions and/or relevant obligations arising under EU law, and

concerning which the Authority has issued a notice to the CUSC
Parties (among others, as appropriate) stating:

(i) that the review will constitute a significant code review;

(ii) the start date of the significant code review; and

(iii) the matters that will fall within the scope of the review;

“Significant Code Review Phase”
the period
commencing either:

(i) on the start date of a Significant Code Review as stated in the noticed issued by
    the Authority; or

(ii) on the date the Authority makes a direction under Paragraph 8.17C (a “Backstop
    Direction”),

and

ending either:

(a) on the date on which the Authority issues a statement that no
directions will be issued in relation to the CUSC; or

(b) if no statement is made under Paragraph 8.17.11 or 8.17.6A(e),
on the date on which The Company has made a CUSC
Modification Proposal in accordance with Paragraph 8.17.6, or
the Authority makes a modification proposal in respect of a Significant Code Review under Paragraph 8.17A.1; or

(c) immediately, if neither a statement, a modification proposal nor directions are issued made by the Authority up to and including twenty eight (28) days from the Authority’s publication of its Significant Code Review conclusions; or

(d) if a statement has been made under Paragraph 8.17.6A or a direction has been made under Paragraph 8.17C (a "Backstop Direction"), on the date specified in accordance with Paragraph 8.17.6A.

"Site Common Drawings" as defined in the Grid Code;

"Site Load" the sum of the BM Unit Metered Volumes (QMj), expressed as a positive number, of BM Units within the Trading Unit with QMj less than zero during the three Settlement Periods of the Triad (i.e. \(\sum_{j} QM_j\) where \(QM_j<0\)), which may comprise Station Load and Additional Load;

"Site Responsibility Schedule" a schedule containing the information and prepared on the basis of the provisions set out in Appendix 1 of the CC;

"Site Specific Maintenance Charge" the element of the Connection Charges relating to maintenance and repair calculated in accordance with the Connection Charging Methodology;

"Site Specific Requirements" those requirements reasonably required by The Company in accordance with the Grid Code at the site of connection of a Relevant Embedded Medium Power Station or a Relevant Embedded Small Power Station;

"Small Independent Generating Plant" a Medium Power Station;

"Small Participant" (a) a generator, supplier, distributor, or new entrants to the electricity market in Great Britain that can demonstrate to the Code Administrator that it is resource-constrained and, therefore in particular need of assistance;

(b) any other participant or class of participant that the Code Administrator considers to be in particular need of assistance; and

(c) a participant or class of participant that the Authority has notified to the Code Administrator as being in particular need of assistance;

"Small Power Station" as defined in the Grid Code;

"Small Power Station Trading" a Trading Party trading on behalf of one or more Small Power
ANNEX 1 – INTERPRETATION AND DEFINITIONS

Insert the following new definitions in alphabetical order:

"Authority Led CUSC Modification” a proposal to modify the CUSC which directly arises from a Significant Code Review and where the process of the modification is led by the Authority in accordance with its SCR Guidance;

"Authority Led CUSC Modification Proposal” a proposal for an Authority Led CUSC Modification which has been submitted pursuant to and in accordance with Section 8 Paragraph 8.17B;

"Authority Led CUSC Modification Report” means, in relation to an Authority Led CUSC Modification Proposal, the report prepared pursuant to and in accordance with Section 8 Paragraph 8.17B.2;

"Backstop Direction” has the meaning given to it in Section 8 Paragraph 8.17C;

"SCR Guidance” means a document of that title created and maintained by the Authority to provide guidance to interested parties on the conduct of a Significant Code Review by the Authority;

END OF SECTION 11
Annex 2 – Updated Original Draft Legal Text
(d) nothing in this Section 8 shall prevent a Proposer from submitting a revised proposal in compliance with the requirements of Paragraph 8.16.4 in respect of the same subject-matter.

8.16.6 Subject to Paragraph 8.17A.8 and without prejudice to the development of a Workgroup Alternative CUSC Modification(s) pursuant to Paragraphs 8.20.10 and 8.20.15, the CUSC Modifications Panel shall direct in the case of (a), and may direct in the case of (b), the Panel Secretary to reject a proposal pursuant to Paragraph 8.16, other than a proposal submitted by The Company pursuant to a direction issued by the Authority following a Significant Code Review in accordance with Paragraph 8.17.6, if and to the extent that such proposal has, in the opinion of the CUSC Modifications Panel, substantially the same effect as:

(a) a Pending CUSC Modification Proposal; or

(b) a Rejected CUSC Modification Proposal, where such proposal is made at any time within two (2) months after the decision of the Authority not to direct The Company to modify the CUSC pursuant to the Transmission Licence in the manner set out in such CUSC Modification Proposal,

and the Panel Secretary shall notify the Proposer accordingly.

8.16.7 Promptly upon receipt of a CUSC Modification Proposal, the Panel Secretary shall:

(a) allocate a unique reference number to the CUSC Modification Proposal;

(b) enter details of the CUSC Modification Proposal on the CUSC Modification Register.

8.16.8 Subject to Paragraphs 8.8.6, 8.29 and 8.17B, where the CUSC Modification Proposal is received more than five (5) Business Days prior to the next CUSC Modifications Panel meeting, the Panel Secretary shall place the CUSC Modification Proposal on the agenda of the next CUSC Modifications Panel meeting and otherwise shall place it on the agenda of the next succeeding CUSC Modifications Panel meeting.

8.16.9 It shall be a condition to the right to make a proposal to modify the CUSC under this Paragraph 8.16 that the Proposer:

(a) grants a non-exclusive royalty free licence to all CUSC Parties who request the same covering all present and future rights, IPRs and moral rights it may have in such proposal (as regards use or application in Great Britain); and

(b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any IPRs or normal rights or rights of confidence in such proposal,

and, in making a proposal, a Proposer which is a CUSC Party shall be deemed to have granted the licence and given the warranty in (a) and (b) above.
The provisions of this Paragraph 8.16.9 shall apply to any **WG Consultation Alternative Request**, and also to a **Relevant Party** supporting a **CUSC Modification Proposal** in place of the original Proposer in accordance with Paragraph 8.16.10 (a) for these purposes the term **Proposer** shall include any such **Relevant Party** or a person making such a **WG Consultation Alternative Request**.

8.16.10 Subject to Paragraph 8.17A.8 (which deals with rejection by the **Panel Secretary** of **CUSC Modification Proposals** which are necessary to comply with or implement the **Electricity Regulation** and/or any relevant legally binding decisions of the **European Commission** and/or the **Agency**), Paragraph 8.17A.4 (which deals with withdrawal of an **CUSC Modification Proposal** in relation to a **Significant Code Review**) and Paragraph 8.17C.1 (which deals with the withdrawal of a **CUSC Modification Proposal** following a **Backstop Direction**) and Paragraph 8.17.7, (which deals with the withdrawal of a **CUSC Modification Proposal** made pursuant to a direction following a **Significant Code Review**), a **Proposer** may withdraw his support for a **Standard CUSC Modification Proposal** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Recommendation Vote** undertaken in relation to that **Standard CUSC Modification Proposal** pursuant to Paragraph 8.23.4, and a **Proposer** may withdraw his support for a **CUSC Modification Proposal** that meets the **Self-Governance Criteria** by notice to the **Panel Secretary** at any time prior to the **CUSC Modifications Panel Self-Governance Vote** undertaken in relation to that **CUSC Modification Proposal** pursuant to Paragraph 8.25.9, and a **Proposer** may withdraw his support for a **CUSC Modification Fast Track Proposal** by notice to the **Panel Secretary** at any time prior to the Panel’s vote on whether to approve the **CUSC Modification Fast Track Proposal** pursuant to Paragraph 8.29 in which case the **Panel Secretary** shall forthwith:

(a) notify those parties specified in Paragraph 8.16.1 as relevant in relation to the **CUSC Modification Proposal** in question (a “**Relevant Party**”) that he has been notified of the withdrawal of support by the **Proposer** by publication on the **Website** and (where relevant details are supplied) by electronic mail. A **Relevant Party** may within five (5) **Business Days** notify the **Panel Secretary** that it is prepared to support the **CUSC Modification Proposal** in place of the original **Proposer**. If such notice is received, the name of such **Relevant Party** shall replace that of the original **Proposer** as the **Proposer**, and the **CUSC Modification Proposal** shall continue. If more than one notice is received, the first received shall be utilised;

(b) if no notice of support is received under (a), the matter shall be discussed at the next **CUSC Modifications Panel** meeting. If the **CUSC Modifications Panel** so agrees, it may notify **Relevant Parties** that the **CUSC Modification Proposal** is to be withdrawn, and a further period of five (5) **Business Days** shall be given for support to be indicated by way of notice;

(c) if no notice of support is received under (a) or (b), the **CUSC Modification Proposal** shall be marked as withdrawn on the **CUSC Modification Register**;

**Code Administrator as Critical Friend**
8.16.11 The Code Administrator shall provide assistance insofar as is reasonably practicable and on reasonable request to parties with an interest in the CUSC Modification Process (including, in particular, Small Participants and consumer representatives, and, for the purposes of preparing modifications to the Charging Methodologies only, Materially Affected Parties) that request it in relation to the CUSC, as provided for in the Code Administration Code of Practice, including, but not limited to, assistance with:

(a) Drafting a CUSC Modification Proposal including, in relation to Materially Affected Parties, drafting a CUSC Modification Proposal in respect of the Charging Methodologies;

(b) Understanding the operation of the CUSC;

(c) Their involvement in, and representation during, the CUSC Modification Process (including but not limited to CUSC Modifications Panel, and/or Workgroup meetings) as required or as described in the Code Administration Code of Practice; and

(d) Accessing information relating to the Charging Statements (subject to any charge made by The Company to cover its reasonable costs of providing the Charging Statements in accordance with Paragraph 8.16.12), and any amendment, revision or notice of proposed amendment to the Charging Statements, CUSC Modification Proposals and/or CUSC Modifications Proposals that have been implemented.

8.16.12 The Company may provide information in accordance with paragraphs 9 and 10 of standard condition C4 (Charges for use of system) and paragraphs 13 and 14 of standard condition C6 (Connection charging methodology) of the Transmission Licence; and insofar as reasonably practicable, the provision by The Company of such other information or assistance as a Materially Affected Party may reasonably request for the purposes of preparing a proposal to modify the Charging methodologies.

8.17 SIGNIFICANT CODE REVIEW

Significant Code Review Phase

8.17.1 If any party specified under Paragraph 8.16.1 makes a CUSC Modification Proposal during a Significant Code Review Phase, unless exempted by the Authority or unless Paragraph 8.17.4(b) applies, the CUSC Modifications Panel shall assess whether the CUSC Modification Proposal falls within the scope of a Significant Code Review and the applicability of the exceptions set out in Paragraph 8.17.4 and shall notify the Authority of its assessment, its reasons for that assessment and any representations received in relation to it as soon as practicable.

8.17.2 The CUSC Modifications Panel shall proceed with the CUSC Modification Proposal made during a Significant Code Review Phase in accordance with Paragraph 8.18 (notwithstanding any consultation undertaken pursuant to Paragraph 8.17.5 and its outcome), unless directed otherwise by the Authority pursuant to Paragraph 8.17.3.

8.17.3 Subject to Paragraph 8.17.4, the Authority may at any time direct that a CUSC Modification Proposal made during a Significant Code Review Phase falls within the scope of a Significant Code Review and must not be
made during the Significant Code Review Phase. If so directed, the CUSC Modifications Panel will not proceed with that CUSC Modification Proposal, and the Proposer shall decide whether the CUSC Modification Proposal shall be withdrawn or suspended until the end of the Significant Code Review Phase. If the Proposer fails to indicate its decision whether to withdraw or suspend the CUSC Modification Proposal within twenty-eight (28) days of the Authority’s direction, it shall be deemed to be suspended. If the CUSC Modification Proposal is suspended, it shall be open to the Proposer at the end of the Significant Code Review Phase to indicate to the CUSC Modifications Panel that it wishes that CUSC Modification Proposal to proceed, and it shall be considered and taken forward in the manner decided upon by the CUSC Modifications Panel at the next meeting, and it is open to the CUSC Modifications Panel to take into account any work previously undertaken in respect of that CUSC Modification Proposal. If the Proposer makes no indication to the CUSC Modifications Panel as to whether or not it wishes the CUSC Modification Proposal to proceed, it shall be deemed to be withdrawn.

8.17.4 A CUSC Modification Proposal that falls within the scope of a Significant Code Review may be made where:

(a) the Authority so determines, having taken into account (among other things) the urgency of the subject matter of the CUSC Modification Proposal; or

(b) the CUSC Modification Proposal is made by The Company pursuant to Paragraph 8.17.6.

8.17.5 Where a direction under Paragraph 8.17.3 has not been issued, paragraph 8.17.4 does not apply and the CUSC Modifications Panel considers that a CUSC Modification Proposal made during a Significant Code Review Phase falls within the scope of a Significant Code Review, the CUSC Modifications Panel may consult on its suitability as part of the Standard CUSC Modification Proposal route set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

End of Significant Code Review Phase

8.17.6 Within twenty-eight (28) days after the Authority has published its Significant Code Review conclusions, the Authority may:

(a) issue to The Company directions, including directions to The Company to make CUSC Modification Proposals; or

(b) itself make a CUSC Modification Proposal arising from the relevant Significant Code Review

8.17.6A If the Authority issues a statement that it will continue work and/or issue a direction in accordance with Paragraph 8.17.6C.1 then the Significant Code Review Phase will be deemed to have ended when:

(a) the Authority issues a statement that the Significant Code Review Phase has ended;

(b) one of the circumstances in Paragraphs 8.17.6(a) or 8.17.8 occurs (irrespective of whether such circumstance occurs within 28 days after the
Authority has published its Significant Code Review conclusions; or

(c) the Authority makes a decision consenting or otherwise to the modification of the CUSC following the CUSC Modification Panel’s submission of its report under Paragraph 8.17.6B.

8.17.7 Where the Authority makes directions pursuant to Paragraph 8.17.6(a) the Company shall comply with those directions and the Significant Code Review Phase shall be deemed to have ended on the date on which the Company makes a CUSC Modification Proposal in accordance with the Authority’s directions.

8.17.8 Where the Authority makes a CUSC Modification Proposal in accordance with the Authority’s directions pursuant to 8.17.6(b), the Significant Code Review Phase shall be deemed to have ended on the date on which the Authority makes such CUSC Modification Proposal.

8.17.9 Where a CUSC Modification Proposal is raised pursuant to Paragraph 8.17.6, that CUSC Modification Proposal shall be treated as a Standard CUSC Modification Proposal and shall proceed through the process for Standard CUSC Modification Proposals set out in Paragraphs 8.18, 8.19, 8.20, 8.22 and 8.23. Such Authority conclusions and directions shall not fetter the voting rights of the Panel Members or any recommendation it makes in relation to any CUSC Modification Proposal or the recommendation procedures informing the CUSC Modification Report.

8.17.10 The Company may not, without the prior consent of the Authority, withdraw a CUSC Modification Proposal made pursuant to a direction issued by the Authority pursuant to Paragraph 8.17.6 (a).

8.17.11 If within twenty-eight (28) days after the Authority has published its Significant Code Review conclusions, the Authority issues to The Company a statement that no directions will be issued in relation to the CUSC, then the Significant Code Review Phase shall be deemed to have ended on the date of such statement.

8.17.12 If the Authority issues a statement in accordance with Paragraph 8.17.6A, if up to and including twenty-eight (28) days from the Authority’s publication of its Significant Code Review conclusions, the Authority has issued to The Company neither directions pursuant to Paragraph 8.17.6 (a), nor a statement pursuant to Paragraph 8.17.811, nor has the Authority made a CUSC Modification Proposal as described in Paragraph 8.17.6(ab) then the Significant Code Review Phase will be deemed to have ended.

8.17A AUTHORITY RAISED OR DIRECTED MODIFICATION

8.17A.1 The Authority may:

(a) itself; or

(b) direct The Company to

raise a CUSC Modification Proposal that is in respect of a Significant Code Review or where the Authority reasonably considers that such CUSC Modification Proposal is necessary to
comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency or, pursuant to 8.17A.1(a), in respect of a Significant Code Review raise a Proposal.

8.17A.2 The Company shall comply with any directions from the Authority in relation to setting and/or amending a timetable for;

(a) the raising of a CUSC Modification Proposal pursuant to Paragraph 8.17A.1(b); and/or

(b) where the Authority has approved a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1, implementation of such CUSC Modification Proposal.

8.17A.3 In respect of a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1, the CUSC Modification Panel shall comply with any timetable(s) directed by the Authority in relation to setting and/or amending a timetable for the completion of all relevant steps of the CUSC Modification Process or such other processes set out in this Section 8.

8.17A.4 Notwithstanding any other Paragraphs in this Section 8, a CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1:

(a) shall not be withdrawn by the Transmission Company and/or the CUSC Modification Panel without the prior consent of the Authority.

(b) shall not be amalgamated with any other CUSC Modification Proposal without the prior consent of the Authority.

8.17A.5 If, pursuant to paragraph 8.17A.4(a), the Authority consents to the withdrawal of a CUSC Modification Proposal, the provisions of Paragraph 8.16.10 shall apply to such CUSC Modification Proposal.

8.17A.6 In respect of any CUSC Modification Proposal which has been raised pursuant to Paragraph 8.17A.9, the views of the relevant Workgroup, the voting rights of the CUSC Modifications Panel or the recommendation of the CUSC Modifications Panel shall not be fettered or restricted notwithstanding that such CUSC Modification Proposal has been raised under Paragraph 8.17A.9.

8.17A.7 A CUSC Modification Proposal shall still be assessed against the Self Governance Criteria and Fast Track Criteria notwithstanding that it has been raised pursuant to Paragraph 8.17A.1.

8.17A.8 A CUSC Modification Proposal raised pursuant to Paragraph 8.17A.1 shall not be rejected by the Panel Secretary pursuant to Paragraphs 8.16.5 or 8.16.6.

8.17A.9 In relation to any CUSC Modification Proposal raised by The Company other than pursuant to Paragraph 8.17A.1, where the Authority reasonably considers such CUSC Modification Proposal to be necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decision of the European Commission and/or the Agency, the provisions of
Paragraphs 8.17A.2 to 8.17A.8 shall apply.

8.17B AUTHORITY LED SCR MODIFICATION

8.17B.1 Where the Authority has issued a statement in accordance with Paragraph 8.17.6A and/or a Backstop Direction in accordance with Paragraph 8.17C, the Authority may submit an Authority Led CUSC Modification Proposal for an Authority Led CUSC Modification directly to the CUSC Panel.

8.17B.2 In response to an Authority Led CUSC Modification Proposal the CUSC Panel shall prepare an Authority Led CUSC Modification Report which shall include all the items listed in 8.23.2 (a)-(k) and in particular, as identified in the Licence:

(a) an evaluation of the proposed modification; and

(b) an assessment of the extent to which the proposed modification would better facilitate achievement of the applicable CUSC objective(s); and

(c) a detailed explanation of the CUSC Panel’s reasons for that assessment (such assessment to include, where the impact is likely to be material, an assessment of the proposal on greenhouse gas emissions, to be conducted in accordance with such guidance on the treatment of carbon costs and evaluation of the greenhouse gas emissions as may be issued by the Authority from time to time); and

(d) a timetable for implementation of the proposed modification, including the date with effect from which such proposed modification could take effect.

8.17B.3 The Authority Led CUSC Modification Report shall be submitted to the Authority taking into account the complexity, importance and urgency of the proposed modification, and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.4 The Authority can require the revision and re-submission of the Authority Led CUSC Modification Report, such resubmission to be made, if required by a direction issued by the Authority in accordance with Paragraph 8.23.12, as soon after the Authority’s direction as is appropriate taking into account the complexity, importance and urgency of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved by the Panel and not objected to by the Authority after receiving notice in accordance with the timetable set by the Authority in Paragraph 8.17B.6.

8.17B.5 The timetable referred to in Paragraph 8.17B.2 (d) for implementation of any proposed modification shall be in accordance with any direction(s) issued by the Authority for the implementation of a proposed modification pursuant to Paragraph 8.17A.2, or where no such direction has been issued by the Authority, the timetable shall be such as will enable the modification to take effect as soon as practicable after the Authority has directed that such modification should be made, account being taken of the complexity, importance of the proposed modification and in accordance with the time periods specified in the CUSC, which shall not be extended unless approved...
8.17B.6 The timetable for the completion of the procedural steps for an Authority Led CUSC Modification, as outlined in Paragraphs 8.17B.2, 8.17B.3, 8.17B.4, shall be set by the Authority in its sole discretion.

8.17B.7 The Authority’s published conclusions and directions and the Authority Led CUSC Modification Proposal shall not fetter the voting rights of the Panel Members or any recommendation it makes in relation to any Authority Led CUSC Modification Proposal or the procedures informing the report described at Paragraph 8.17B.2.

8.17C BACKSTOP DIRECTION

8.17C.1 Where an CUSC Modification Proposal has been made in relation to a Significant Code Review in accordance with Paragraph 8.17A.1 or 8.17B.1 the Authority may issue a direction (a “Backstop Direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the Significant Code Review phase to recommence. Paragraph 8.16.10 shall not apply when a Backstop Direction is issued.

8.18 CUSC MODIFICATION PROPOSAL EVALUATION

8.18.1 This Paragraph 8.18 is subject to the Urgent CUSC Modification Proposals procedures set out in Paragraph 8.24 and the Significant Code Review procedures set out in Paragraph 8.17.

8.18.2 A CUSC Modification Proposal shall, subject to Paragraph 8.16.8, be discussed by the CUSC Modifications Panel at the next following CUSC Modifications Panel meeting convened.

8.18.3 The Proposer’s representative shall attend such CUSC Modifications Panel meeting and the CUSC Modifications Panel may invite the Proposer’s representative to present his CUSC Modification Proposal to the CUSC Modifications Panel.

8.18.4 The CUSC Modifications Panel shall evaluate each CUSC Modification Proposal against the Self-Governance Criteria.

8.18.5 The CUSC Modifications Panel shall follow the procedure set out in Paragraph 8.25 in respect of any CUSC Modification Proposal that the CUSC Modifications Panel considers meets the Self-Governance Criteria unless the Authority makes a direction in accordance with Paragraph 8.25.2 and in such a case that CUSC Modification Proposal shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.6 Unless the Authority makes a direction in accordance with Paragraph 8.25.4, a CUSC Modification Proposal that the CUSC Modifications Panel considers does not meet the Self-Governance Criteria shall be a Standard CUSC Modification Proposal and shall follow the procedure set out in Paragraphs 8.19, 8.20, 8.22 and 8.23.

8.18.7 The CUSC Modifications Panel shall evaluate each CUSC Modification Proposal by the Panel and not objected to by the Authority after receiving notice with the Authority having discretion to change the timetable.
has undertaken all preparatory steps necessary to undertake the activity in 1 above; the date which is 30 days (or the first Business Day following this) from the date of payment of the Cancellation Charge by the User;

"Short Term Capacity" the right to export on to the National Electricity Transmission System power in accordance with the provisions of CUSC;

“Significant Code Review” a review of one or more matters which the Authority considers is likely to:

(a) relate to the CUSC (either on its own or in conjunction with other Industry Codes); and

(b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under EU law, and

concerning which the Authority has issued a notice to the CUSC Parties (among others, as appropriate) stating:

(i) that the review will constitute a significant code review;

(ii) the start date of the significant code review; and

(iii) the matters that will fall within the scope of the review;

“Significant Code Review Phase” the period commencing either:

(i) on the start date of a Significant Code Review as stated in the noticed issued by the Authority; or

(ii) on the date the Authority makes a direction under Paragraph 8.17C (a “Backstop Direction”)

and

ending either:

(a) on the date on which the Authority issues a statement that no directions will be issued in relation to the CUSC; or

(b) if no statement is made under Paragraph 8.17.11 or 8.17.6A, on the date on which The Company has made a CUSC Modification Proposal in accordance with Paragraph 8.17.6, or the Authority...
makes a modification proposal in respect of a Significant Code Review under Paragraph 8.17A.1; or if the Authority issues a statement that it will continue work and/or issues a Backstop Direction, either:

(i) when the Authority issues a statement that the Significant Code Review Phase has ended; or

(c) immediately, if neither a statement, a modification proposal nor directions are made by the Authority up to and including twenty eight (28) days from the Authority’s publication of its Significant Code Review conclusions; or

(d) if a statement has been made under Paragraph 8.17.6A or a direction has been made under Paragraph 8.17C (a “Backstop Direction”), on the date specified in accordance with Paragraph 8.17.6A, or a CUSC Modification Proposal or an Authority Led CUSC Modification Proposal is raised in relation to a Significant Code Review in accordance with Paragraph 8.17A.1 (irrespective of whether this is within 28 days after the Authority has published its Significant Code Review conclusions); or

(iii) the Authority makes a decision consenting or otherwise to the modification of the CUSC following the CUSC Modification Panel’s submission of its report under Paragraph 8.17B.3.

(c) if no statement is made under Paragraph (a) above, 8.17.11 or 8.17.6A, on the date on which The Company has made a CUSC Modification Proposal in accordance with Paragraph 8.17A.1 8.17.6, or the Authority makes a modification proposal in respect of a Significant Code Review under Paragraph 8.17A.1; or

(d) immediately, if neither a statement, a modification proposal nor directions are made by the Authority up to and including twenty eight (28) days from the Authority’s publication of its Significant Code Review conclusions; or

(d) if a statement has been made under Paragraph [8.17.6A or a direction has been made under Paragraph 8.17C (a “Backstop Direction”), on the date specified in accordance with Paragraph 8.17.6A[8.17.6A].

"Site Common Drawings" as defined in the Grid Code;

“Site Load”

the sum of the BM Unit Metered Volumes (QM<sub>ij</sub>), expressed as a positive number, of BM Units within the Trading Unit with QM, less than zero during the three Settlement Periods of the Triad (i.e. ΣQM<sub>ij</sub> where QM<sub>ij</sub>&lt;0), which may comprise Station Load and Additional Load;
ANNEX 1 – INTERPRETATION AND DEFINITIONS

Insert the following new definitions in alphabetical order:

“Authority Led CUSC Modification” a proposal to modify the CUSC which directly arises from a Significant Code Review and where the process of the modification is led by the Authority in accordance with its SCR Guidance;

“Authority Led CUSC Modification Proposal” a proposal for an Authority Led CUSC Modification which has been submitted pursuant to and in accordance with Section 8 Paragraph 8.17B;

“Authority Led CUSC Modification Report” means, in relation to an Authority Led CUSC Modification Proposal, the report prepared pursuant to and in accordance with Section 8 Paragraph 8.17B.2;

“Backstop Direction” has the meaning given to it in Section 8 Paragraph 8.17C;

“SCR Guidance” means any document of that title created, published and maintained as amended from time to time, by the Authority to provide guidance to interested parties on the conduct of a Significant Code Review by the Authority;

END OF SECTION 11
Annex 3 – Ofgem’s Urgency Response
Dear Mike,

CUSC Modifications Panel request on urgency for CMP272 ‘Aligning Condition C5 and C10 of the CUSC to the licence changes introduced by the Code Governance Review Phase 3’

On 8 December 2016, National Grid (the ‘Proposer’) raised Connection and Use of System Code (‘CUSC’) modification proposal CMP272 ‘Aligning Condition C5 and C10 of the CUSC to the licence changes introduced by the Code Governance Review Phase 3’. CMP272 seeks to reflect changes in the transmission licence introduced by the Code Governance Review (Phase 3) – namely the Significant Code Review process – into the CUSC and in particular sections 8 and 11 of the CUSC.

The Proposer requested that CMP272 be treated as Self-Governance. At a CUSC Panel meeting on 14 December, the CUSC Modifications Panel (the ‘Panel’) did not consider that CMP272 met the Self-Governance criteria and recommended that CMP272 be developed by a Workgroup following an urgent timetable.

On 19 December 2016, you wrote to inform us of the Panel’s majority view that CMP272 should be treated as urgent as there is a requirement to implement these changes within the CUSC by 31 March 2017.

This letter gives our approval for CMP272 to be progressed on an urgent basis, following the Panel’s proposed timetable set out in the Appendix to your letter.

Our decision

We have considered the request and views of the Panel on urgency. On balance, we consider that the proposed modification does meet our criteria for urgency. Specifically, we view CMP272 as addressing “…a current issue that if not urgently addressed may cause a party to be in breach of any legal requirement”.1 The legal requirement in this instance being the licence obligation to have in place the corresponding changes (introduced by the Code Governance Review (Phase 3)) in the CUSC by 31 March 2017.

We note that the CUSC modification process is designed to allow sufficient opportunity for industry to consider, and submit their views about, a modification proposal. We

1 https://www.ofgem.gov.uk/system/files/docs/2016/02/160217_urgency_letter_and_amended_criteria_2.pdf
consider that this should apply in the case of CMP272, albeit based on an accelerated urgent timetable as supported by the majority of the Panel. We note that CMP272 was originally raised on 29 September but withdrawn as a result of inaccuracies. We are disappointed that the Proposer delayed bringing this modification to the Panel giving rise to the need for an urgent timetable to be requested.

In granting this request for urgency, we have made no assessment of the merits of the proposal and nothing in this letter in any way fetters our discretion in respect of this proposal.

Yours sincerely,

Lesley Nugent  
Head, Industry Codes & Licensing  
Duly authorised on behalf of the Authority
## Annex 4 – Workgroup Attendance Register

A – Attended
X – Absent
O – Alternate
D – Dial-in

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Role</th>
<th>6 January 2017</th>
<th>26 January 2017</th>
<th>31 January 2017</th>
<th>3 February 2017</th>
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<tbody>
<tr>
<td>Nick Pittarello</td>
<td>National Grid</td>
<td>Chair</td>
<td>A/D</td>
<td>A</td>
<td>X</td>
<td>A</td>
</tr>
<tr>
<td>Taran Heir</td>
<td>National Grid</td>
<td>Technical Secretary (Alternate Chair)</td>
<td>A/D</td>
<td>X</td>
<td>A</td>
<td>A</td>
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<tr>
<td>Caroline Wright</td>
<td>National Grid</td>
<td>Proposer</td>
<td>A/D</td>
<td>A</td>
<td>X</td>
<td>A</td>
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<tr>
<td>John Martin</td>
<td>National Grid</td>
<td>Alternate Proposer</td>
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<tr>
<td>Garth Graham</td>
<td>SSE</td>
<td>Workgroup Member</td>
<td>A/D</td>
<td>A/D</td>
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<tr>
<td>James Anderson</td>
<td>Scottish Power</td>
<td>Workgroup Member</td>
<td>A/D</td>
<td>A/D</td>
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