

CUSC Governance Standing Group (GSG) Paper to March 2011 GSG meeting

Background

1. The GSG's terms of reference includes a requirement to:
 - Review the validity and rejection of new CUSC Modification Proposals, including the option of the CUSC Modifications Panel being able to refer a proposal to a Standing Group to understand / define the issue further;
 - Review the ability of the Panel to manage new CUSC Modification Proposals with existing workload.

Validity and rejection of new CUSC Modification Proposals

2. The rules for rejecting a new CUSC Modification Proposal (CMP) are set out in paragraph 8.16 of the CUSC¹. There are roles for the Panel Secretary, the Panel and the Authority in the rejection process, as set out below.
3. The Panel Secretary **may** reject a CMP if:
 - The Proposal is raised by someone other than a CUSC Party, a BSC Party, the National Consumer Council or, for a CMP to the Charging Methodologies (section 14), a Materially Affected Party;
 - The CMP does not contain the mandatory information set out in 8.16.4 (everything other than impact on the CUSC, impact on core industry documents or the STC, impact on CUSC Parties' computer systems and processes);
4. Certain caveats apply to the rules set out above:
 - The Panel may overturn the Panel Secretary's decision (8.16.5);
 - The Authority may issue a notice to the Panel Secretary, following receipt of the Progress Report and after discussion with the Panel, **requesting** the Company and the CUSC Modifications Panel not to reject a CMP under 8.15.2.
5. The Panel **shall** direct the Panel Secretary to reject a CMP if, in the Panel's opinion, the proposal has substantially the same effect as a pending CMP.
6. The Panel **may** direct the Panel Secretary to reject a CMP if, in the Panel's opinion, the proposal has substantially the same effect as a proposal which has been rejected by the Authority, within 2 months of the Authority's decision to reject.
7. Recent examples of the application of these rules are:
 - **CAP171**: the Panel rejected this on 30th March 2009 on the grounds that it had substantially the same effect as CAP166 WGAA3;

¹ References to the CUSC in this paper are to version 1.19 of the CUSC, dated 31st January 2011

- **CAP172**: the Panel rejected this on 3rd April 2009 on the grounds that it had substantially the same effect as CAP166 WGAA3 (and CAP171).

Ability of the Panel to manage new CUSC Modification Proposals

8. There are a number of tools open to the CUSC Modifications Panel (the Panel) to manage high volumes of CMPs, namely amalgamation, prioritisation and timetabling.
9. The rules for **Amalgamation** are set out in paragraphs 8.19.2 to 8.19.4 and are summarised below.
10. The Panel **may** decide to amalgamate two or more Amendment Proposals where the subject matter of the proposals are:
 - sufficiently proximate to justify amalgamation on the grounds of efficiency
 - logically dependent on each other
11. The Proposers have to decide between them who will provide a representative for any Workgroup (essentially becomes the owner of the Proposal). If they can't agree, the Panel Chairman nominates one of them.
12. A similar caveat to the rules for rejection applies; the Authority may issue a notice to the Panel Secretary, following receipt of the Progress Report and after discussion with the Panel, **requesting** the Company and the Panel not to amalgamate CMPs.
13. Amalgamation has been rarely used in the CUSC. The last example was **CAPs 100/101**. The Panel suggested at the first meeting to discuss these CAPs in July 2005 that they could be merged and referred the matter to the Working Group. The Working Group reported back to the August 2005 Panel meeting, agreeing they should be merged and the Panel approved the amalgamation.
14. The rules for **Prioritisation** and **Timetabling** are set out in paragraph 8.19 of the CUSC. Both the Panel and the Code Administrator have a role to play, as summarised below.
 - The Panel **may** determine and adjust the **priority** of CMPs, having regard to the complexity, importance and urgency of particular CMPs;
 - The Panel **shall** establish the part of the **timetable** for consideration by the Panel and any Workgroup (max 4 months unless Authority does not object to an extension);
 - The Code Administrator **shall** establish the part of the **timetable** for company consultation and preparing a Modification Report to the Authority (we can seek an extension, subject to Authority objection);
15. As before, the Authority may issue a notice to the Panel Secretary, following receipt of the Progress Report and after discussion with the Panel, **requesting** the

Code Administrator and the Panel to accord a different priority to a proposal from that set out in the Progress Report.

16. The Authority may also issue a notice to the Panel Secretary, following receipt of the Progress Report and after discussion with the Panel, **requesting** the Code Administrator and the Panel to amend the timetable for a CMP.