

# **AMENDMENT REPORT**

## **STC Proposed Amendment CA028**

### **Amendment to Governance Framework Timescales**

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

Amendment Ref	CA028
Issue	2.0
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Prepared by	STC Committee

**I DOCUMENT CONTROL****a STC Document Control**

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0.1	16/10/07	STC Committee	Draft for STC Committee
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**b Document Location**

National Grid Website:

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

**c Distribution**

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

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## 1.0 SUMMARY AND RECOMMENDATION

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

### STC Committee Provisional Recommendation

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

## 2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by the STC Committee under the rules and procedures specified in the System Operator – Transmission Owner Code. It addresses the concern of Users that 10 Business Days currently allowed to consider and respond to Proposed Amendments that may affect Users under Section B of the STC is not sufficient time.
- 2.2 This document outlines the nature of the STC changes that are proposed. It incorporates the STC Committee's recommendation concerning the Amendment.
- 2.3 This Amendment Report has been prepared in accordance with the terms of the STC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/>.

## 3.0 THE PROPOSED AMENDMENT

- 3.1 It is proposed to amend the STC such that the maximum period for consultation, currently 10 Business Days, is revised to 1 month.
- 3.2 As a consequence of amending the maximum period for consultation to 1 month, it is proposed that the maximum Assessment and Report Phase described in Section B, paragraph 7 of the STC, is extended to 5 months unless otherwise agreed by the Authority.
- 3.3 It is proposed to amend Section B of the STC to include the proposed maximum time scales.
- 3.4 The final proposed legal text to give effect to Amendment Proposal CA028 is attached as Annex 2 of this document.

## **4.0 ALTERNATIVE AMENDMENTS**

- 4.1 No Alternative Amendments to CA028 were submitted.

## **5.0 EVALUATION PHASE**

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

## **6.0 STC PARTIES' ASSESSMENTS**

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

### **National Grid Assessment**

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

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

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

### **Scottish Power Transmission Limited ("SPTL") Assessment**

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

## **7.0 IMPACT ON THE STC**

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

## 8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

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

## 9.0 STC COMMITTEE VIEWS AND RECOMMENDATION

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

## 10.0 IMPLEMENTATION AND TIMESCALES

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

## 11.0 INDUSTRY VIEWS AND REPRESENTATIONS

- 11.1 Views invited from industry parties upon the Proposed Amendment outlined in this Amendment Report.
- 11.2 The STC Committee received 1 response following the publication of the Proposed Amendment Report

Reference	Company	Summary of Comments
CA028-AR-01	E.ON UK plc	E.ON UK plc fully supports the proposals in this Amendment Report

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

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

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

**Notes:**

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

The completed form should be returned to:

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

## Annex 2 – Proposed Text to Amend the STC

### SECTION B: GOVERNANCE

#### 7. AMENDMENT OF THE CODE AND CODE PROCEDURES

##### 7.2 Amendment of the Code

7.2.1 The remainder of this paragraph 7.2 is subject to the Urgent Proposed Amendment procedures under sub-paragraph 7.2.6.

##### 7.2.2 Proposed Amendments

7.2.2.1 A proposal to amend the Code may be made by any of the following:

- (a) a Party; or
- (b) such person or persons having a relevant interest as may be designated in writing for this purpose by the Authority from time to time,

(referred to in this Section B as the "**Proposer**").

7.2.2.2 A proposal made pursuant to sub-paragraph 7.2.2.1 shall be submitted in writing to the Committee Secretary and shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;
- (b) a description (in reasonable but not excessive detail) of the issue or defect which the proposal seeks to address;
- (c) a description (in reasonable but not excessive detail) of the proposal and of its nature and purpose;
- (d) where possible, an indication of those parts of the Code and Code Procedures which, in the opinion of the Proposer, would be likely to require amendment in order to give effect to (or would otherwise be affected by) the proposal and an indication of the nature and contents of those amendments or effects (including, where relevant, any need for the establishment of new Code Procedures or removal of existing Code Procedures);
- (e) the reasons why the Proposer believes that the proposal would better facilitate achievement of the Applicable STC Objectives as compared with the then current version of the Code, together with background information in support thereof;

- (f) where possible, an indication of the potential impact of the proposal on the BSC, CUSC or any Core Industry Document;
- (g) where possible, an indication of the potential impact of the proposal on relevant computer systems and processes used by the Parties and on any Proposed Amendment; and
- (h) where a Proposer is a person falling under sub-paragraph 7.2.2.1(b), a statement to the effect that the Proposer acknowledges that, on acceptance of the proposal as a Proposed Amendment for consideration by the Committee (pursuant to sub-paragraph 7.2.2.3) and, notwithstanding that the Proposer is not a Party, the Proposer shall grant a licence and provide a warranty in the same terms as set out in sub-paragraph 7.2.2.5.

If a proposal fails to contain any information required under this sub-paragraph 7.2.2.2, the Committee Secretary shall notify the Proposer, who may submit a revised proposal in compliance with this sub-paragraph 7.2.2.

7.2.2.3 A proposal made pursuant to and in compliance with sub-paragraph 7.2.2.2 shall be processed as a **“Proposed Amendment”** as further provided in this paragraph 7.2.

7.2.2.4 Upon receipt of a Proposed Amendment, the Committee Secretary shall as soon as reasonably practicable:

- (a) send a copy of the Proposed Amendment (including the information set out in sub-paragraphs 7.2.2.2(a) to (h)) to the Parties, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b);
- (b) subject to the provisions of paragraph 6.3, put the Proposed Amendment on the agenda for the next Committee Meeting; and
- (c) post the Proposed Amendment on the Code Website or, failing that, publish the Proposed Amendment in such other manner as the Parties deem appropriate to bring it to the attention of interested third parties.

7.2.2.5 It shall be a condition to the right to make a proposal to amend the Code under this paragraph 7.2 that the Proposer:

- (a) grants a non-exclusive royalty-free licence to all Parties who request the same covering all present and future rights, Intellectual Property Rights 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 Intellectual Property Rights or moral rights or rights of confidence in such proposal inconsistent with the Parties' rights to make, publish or use such proposal,

and, in making a proposal, a Party shall be deemed to have granted the licence and given the warranty contained in sub-paragraphs (a) and (b) above respectively.

7.2.2.6 The Proposer may withdraw its Proposed Amendment on notice to the Committee Secretary at any time, in which case, the Committee Secretary shall promptly notify the other Parties, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b) and then, six Business Days after issue of such notice by the Committee Secretary, shall (unless a notice is received pursuant to sub-paragraph 7.2.2.7):

- (a) revise the Amendment Register;
- (b) remove the Proposed Amendment from the agenda of the next Committee Meeting (as relevant); and
- (c) remove the Proposed Amendment from the Code Website.

7.2.2.7 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may within five Business Days of the date of a notice from the Committee Secretary under sub-paragraph 7.2.2.6, notify the Committee Secretary that it is prepared to support the Proposed Amendment in place of the original Proposer. If such notice is received, the name of such Party or other person designated by the Authority under sub-paragraph 7.2.2.1(b) shall replace that of the original Proposer and such Party or other person shall be treated as the Proposer of the Proposed Amendment and, subject to the provisions of paragraph 6.3 the Proposed Amendment shall otherwise continue in accordance with this paragraph 7.2. If more than one notice is received under this sub-paragraph 7.2.2.7, the first received notice shall have effect.

7.2.2.8 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may propose one or more alternatives to a Proposed Amendment. Such alternative proposal(s) may be so submitted to the Committee Secretary at any time up until the point at which a Proposed Amendment is referred to the Assessment and Report Phase under sub-

paragraphs 7.2.3.3 or 7.2.4.4 and shall be submitted in the same form as a proposal pursuant to sub-paragraph 7.2.2.2 and, upon compliance with which, such proposal shall be referred to as an "**Alternative Amendment**". An Alternative Amendment may be withdrawn and supported in the same manner as a Proposed Amendment pursuant to sub-paragraphs 7.2.2.6 and 7.2.2.7. The Proposer of an Alternative Amendment shall be deemed to be a Proposer for the purposes of this paragraph 7.2.

### 7.2.3 **Committee Amendment Meetings**

7.2.3.1 Pursuant to sub-paragraph 7.2.2.4, the Committee shall consider a Proposed Amendment or any Alternative Amendment (unless it or they have been withdrawn under sub-paragraph 7.2.2.6) at the next Committee Meeting, in accordance with and subject to the provisions of paragraph 6.3, and at such Committee Meeting shall use all reasonable endeavours to decide (as and where relevant) whether:

- (a) the Parties require additional information in order to assess whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives;
- (b) pursuant to a recommendation under sub-paragraph 7.2.6.1(a) to recommend to the Authority that the Proposed Amendment or any Alternative Amendment should be treated as an Urgent Proposed Amendment;
- (c) pursuant to sub-paragraph 7.2.3.4, to amalgamate the Proposed Amendment with any other Proposed Amendment.

7.2.3.2 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the Committee decides that any of the Parties requires additional information or the Committee cannot reach a decision on such matter, the Committee shall refer the Proposed Amendment or any Alternative Amendment for evaluation under sub-paragraph 7.2.4.

7.2.3.3 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the Committee decides that the Parties do not require additional information, the Committee shall refer the Proposed Amendment or any Alternative Amendment directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

7.2.3.4 The Committee may decide to amalgamate a Proposed Amendment with one or more other Proposed Amendment(s) where the subject matter of such Proposed Amendment is sufficiently proximate to justify amalgamation on the grounds of

efficiency and/or where such Proposed Amendment(s) are logically dependent on each other.

7.2.3.5 Where Proposed Amendments are amalgamated pursuant to sub-paragraph 7.2.3.4:

- (a) such Proposed Amendments shall be treated as a single Proposed Amendment;
- (b) references in this Section B to a Proposed Amendment shall include and apply to a group of two or more Proposed Amendments so amalgamated; and
- (c) the Proposers of each such amalgamated Proposed Amendment shall co-operate in deciding which of them shall constitute the Proposer of such amalgamated Proposed Amendment, failing which agreement, the Proposed Amendments shall continue separately as before.

#### 7.2.4 Evaluation Phase

7.2.4.1 The Parties shall use their reasonable endeavours in order to ensure that the Evaluation Phase as set out in this sub-paragraph 7.2.4 shall take no longer than two months from its referral under sub-paragraph 7.2.3.2 up to the referral to the Assessment and Report Phase under sub-paragraph 7.2.4.4 unless otherwise agreed by the Authority.

7.2.4.2 Following referral of a Proposed Amendment or any Alternative Amendment pursuant to sub-paragraph 7.2.3.2, the Committee shall invite representations or commission such studies, working groups and other evaluation as it deems appropriate in order that each Party is provided with sufficient information such that it can assess whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives.

7.2.4.3 Following receipt of any representations, study, working group report or other evaluation pursuant to sub-paragraph 7.2.4.2, the Committee shall consider whether the information provided is sufficient for each Party to form a view as to whether the Proposed Amendment or any Alternative Amendment better facilitate achievement of the Applicable STC Objectives and may invite such further representations, studies, working groups and other evaluation as it deems appropriate until the Committee considers that the information provided is sufficient.

7.2.4.4 Following completion of this Evaluation Phase under this sub-paragraph 7.2.4, the Committee shall refer the Proposed

Amendment or any Alternative Amendment directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

## 7.2.5 **Assessment and Report Phase**

7.2.5.1 The Parties shall use their reasonable endeavours in order to ensure that the Assessment and Report Phase as set out in this sub-paragraph 7.2.5 shall take no longer than ~~four~~ five months from its initiation by referral under sub-paragraphs 7.2.3.2 or 7.2.4.4 up to submission of the Amendment Report to the Authority under sub-paragraph 7.2.5.11(a) unless otherwise agreed by the Authority.

7.2.5.2 Following referral to the Assessment and Report Phase under sub-paragraphs 7.2.3.3 or 7.2.4.4, the Committee shall commission from each of the Parties an analysis and impact assessment (to the extent that such assessment has not already been provided as part of the Evaluation Phase) ("**Assessment**"). Such Assessment shall include an assessment by each Party of the likely effect of the Proposed Amendment and any Alternative Amendment on that Party's Transmission System and its other systems (and, to the extent reasonably practicable on the Transmission System and systems of the other Parties), including a description of any works necessary to implement the change and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and Code Procedures in such manner as the Committee feels fit, provided that, so far as any such Assessment requires information which is not generally available concerning that Party's Transmission System, such Assessment shall be made on the basis of that Party's proper assessment (which that Party shall make available for these purposes) of the impact of the Proposed Amendment or any Alternative Amendment on that Party's Transmission System.

7.2.5.3 Following completion of the Assessment under sub-paragraph 7.2.5.2 the Committee shall prepare a report and recommendation as to whether the Proposed Amendment and any Alternative Amendment better facilitate achievement of the Applicable STC Objectives. In so doing, the Committee shall take into account each Party's Assessment and use all reasonable endeavours to decide whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives and therefore whether or not to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should or should not be made.

7.2.5.4 Where the Committee cannot reach a decision pursuant to sub-paragraph 7.2.5.3, each Party shall prepare its own written opinion as to whether the Proposed Amendment or any Alternative Amendment would better meet the Applicable STC

Objectives and whether or not it recommends to the Authority that a Proposed Amendment or any Alternative Amendment should or should not be made and such written opinions shall be incorporated into the report.

- 7.2.5.5 Where the Committee is proposing to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should not be made, the Committee shall consult with the Authority as to whether the Authority would like the Amendment Report to include the proposed text to amend the Code. If the Authority does not wish the Amendment Report to include the proposed text to amend the Code, no text need be included. If the Authority does want the Amendment Report to include the proposed text to amend the Code and no detailed text has yet been prepared, unless otherwise agreed between the Parties or directed by the Authority, the Proposer shall prepare such text to amend the Code and shall seek the views of the other Parties and take such views into account in preparing such text.
- 7.2.5.6 Where the Committee or any Party is intending to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should be made, such text to amend the Code shall be prepared by the Proposer, unless the Parties otherwise agree that such text should be prepared by another Party or person and the Proposer (or other such person, as appropriate) shall seek the views of the other Parties and take such views into account in preparing such text.
- 7.2.5.7 Where proposed text to amend the Code has been produced pursuant to sub-paragraphs 7.2.5.5 or 7.2.5.6 (or otherwise) the Committee (and any Proposer who is a person designated by the Authority under sub-paragraph 7.2.2.1(b) and whose Proposed Amendment or Alternative Amendment is the subject of the text) shall decide whether to approve (or amend and then approve) the proposed text, failing which decision, the text shall stand but each Party (and any Proposer of such Proposed Amendment or Alternative Amendment that is the subject of the text, where such Proposer is a person designated by the Authority under sub-paragraph 7.2.2.1(b)) shall prepare written representations giving its own opinion on such text.
- 7.2.5.8 Following completion of the steps set out in sub-paragraphs 7.2.5.2 to 7.2.5.7 above (where relevant), the Committee Secretary shall prepare a proposed version of the Amendment Report setting out:
- (a) the Proposed Amendment and any Alternative Amendments;

- (b) the recommendation of the Committee (or, where the Parties are not in agreement, the separate recommendations of each of the Parties prepared pursuant to sub-paragraph 7.2.5.4) as to whether or not such Proposed Amendment or any Alternative Amendment should be made, including the Parties' analysis of whether (and, if so, to what extent) the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives and the views and rationale in respect thereof;
- (c) draft text prepared pursuant to sub-paragraph 7.2.5.7 and any representations on such text where relevant;
- (d) a summary of the Assessments provided pursuant to sub-paragraph 7.2.5.2;
- (e) the proposed Implementation Date of the Proposed Amendment or any Alternative Amendments as agreed by the Committee, failing which, as shall be proposed by the Proposer and, in the latter case, accompanied by the written representations of the other Parties any person designated by the Authority under sub-paragraph 7.2.2.1(b) giving their own opinion as to what the Implementation Date should be; and
- (f) (to the extent that such matters are not included pursuant to sub-paragraph (d)), an analysis of:
  - (i) the impact of the Proposed Amendment and any Alternative Amendment on the BSC, CUSC and Core Industry Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
  - (ii) the changes which would be required to give effect to the Proposed Amendment and any Alternative Amendment in relation to the BSC, CUSC and Core Industry Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
  - (iii) the mechanism and likely timescale for making the changes referred to in sub-paragraph (ii);
  - (iv) the changes or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the BSC, CUSC and Core Industry Documents;

- (v) the mechanism and likely timescale for making the changes referred to in sub-paragraph (iv);
- (vi) an estimate of the costs associated with making and delivering the changes referred to in sub-paragraphs (ii) and (iv), such costs being expected to relate to: for (ii), the costs of implementing amendments to the BSC, CUSC and Core Industry Document(s), Code Procedures, Interface Agreement and TO Construction Agreement, and for (iv), the costs of changes to computer systems and possibly processes which are established for the operation of the BSC, CUSC and Core Industry Documents,

together with a summary of representations of the Parties in relation to such matters,

(here referred to as the "**Proposed Amendment Report**") which Proposed Amendment Report shall be approved and amended as appropriate by the Committee (save for the contents of those sections where representations are to be provided by each Party in its own capacity as specified above).

7.2.5.9 Pursuant to sub-paragraph 7.2.5.8, the Committee Secretary shall:

- (a) circulate the Proposed Amendment Report to each of the Parties, any persons designated by the Authority under sub-paragraph 7.2.2.1(b) and such persons or bodies as have responsibility for progressing changes to the BSC, CUSC and Core Industry Documents and publish it on the Code Website or otherwise in such manner as may be deemed appropriate by the Parties to bring it to the attention of other persons who may have a relevant interest in the Proposed Amendment or any Alternative Amendment;
- (b) invite representations in relation to the Proposed Amendment Report within such period as the Committee shall determine (and, in any event, not more than **one month** ~~10 Business Days~~); and
- (c) on receipt of representations pursuant to sub-paragraph (b), prepare a summary of such representations.

7.2.5.10 Pursuant to sub-paragraph 7.2.5.9, the Committee shall consider the representations made in response to the Proposed Amendment Report and shall instruct the Committee Secretary to make such changes to the Proposed Amendment Report as may be agreed by the Committee (save for the contents of those

sections where representations are to be provided by each Party or other person designated by the Authority under sub-paragraph 7.2.2.1(b) (where appropriate) in its own capacity, as specified above, in which case such Party may, after notifying the Committee, direct the Committee Secretary to make reasonable changes to its representations).

7.2.5.11 Following the process referred to in sub-paragraph 7.2.5.10, the Proposed Amendment Report shall be referred to as the "**Amendment Report**". The Committee Secretary shall finalise the Amendment Report and attach the summary of representations prepared pursuant to sub-paragraph 7.2.5.9(c) (together with the actual representations received), to the Amendment Report and shall promptly:

- (a) submit such Amendment Report to the Authority; and
- (b) copy such Amendment Report to each of the Parties, persons designated by the Authority under sub-paragraph 7.2.2.1(b) and each owner of the BSC, CUSC and Core Industry Documents and post it on the Code Website.

7.2.5.12 Each Amendment Report shall be addressed and furnished to the Authority and none of the facts, opinions or statements contained in such Amendment Report may be relied upon by any other person.

7.2.5.13 NGET shall copy any notice received by it from the Authority following submission of the Amendment Report in relation to the approval (or otherwise) of a Proposed Amendment or any Alternative Amendment to each of the Parties and persons designated by the Authority under sub-paragraph 7.2.2.1(b) and the Committee Secretary shall publish such notice on the Code Website.

## 7.2.6 **Urgent Proposed Amendments**

7.2.6.1 Any Party may:

- (a) recommend to the Committee that a proposal to amend the Code be treated as an Urgent Proposed Amendment and provide a suggested timetable in relation to same; or
- (b) request that the Committee Secretary convenes a Committee Meeting by such means as are reasonably practicable to obtain the agreement of the Committee (or otherwise) that the proposal be treated as an Urgent Proposed Amendment; or
- (c) where a Committee Meeting cannot be arranged pursuant to sub-paragraph (b) above due to lack of agreement on

the part of the Parties, itself refer the proposal to the Authority for determination as to whether such proposal may be treated as an Urgent Proposed Amendment and, if so, as to the procedure and timetable which should apply in respect thereof and, in doing so, shall state that the Committee has not considered the matter.

- 7.2.6.2 If the Committee decides that such proposal should be treated as an Urgent Proposed Amendment pursuant to sub-paragraph 7.2.6.1, the Committee shall promptly consult with the Authority as to whether such proposal should be treated as an Urgent Proposed Amendment and, if so, as to the procedure and timetable which should apply in respect thereof.
- 7.2.6.3 If the Committee is not in agreement pursuant to sub-paragraph 7.2.6.1 that a proposal be treated as an Urgent Proposed Amendment, any Party may itself refer the matter to the Authority but, in doing so, shall state that the Committee do not recommend that the proposal be treated as an Urgent Proposed Amendment.
- 7.2.6.4 The Committee shall:
- (a) not treat any proposal as an Urgent Proposed Amendment except with the prior consent of the Authority;
  - (b) comply with the procedure and timetable in respect of any Urgent Proposed Amendment approved by the Authority; and
  - (c) comply with any instruction of the Authority issued in respect of such Urgent Proposed Amendment.
- 7.2.6.5 For the purposes of this sub-paragraph 7.2.6, the procedure and timetable in respect of an Urgent Proposed Amendment may (with the approval of the Authority pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) deviate from all or part of the Amendment Procedures (save for this sub-paragraph 7.2.6) or follow any other procedure or timetable approved by the Authority.
- 7.2.6.6 Any Amendment Report (unless the Authority states that this is not required pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) in respect of an Urgent Proposed Amendment (as relevant pursuant to sub-paragraph 7.2.6.5) shall include a statement as to why the Committee or the Proposer (as relevant) believes that such proposal should be treated as an Urgent Proposed Amendment and the extent to which the procedure followed deviated from the other Amendment Procedures that would apply to a Proposed Amendment.
- 7.2.6.7 The Parties shall respectively take all reasonable steps to ensure that an Urgent Proposed Amendment is considered, evaluated

and (subject to the approval of the Authority) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent Proposed Amendment may (subject to the approval of the Authority) result in an amendment to the Code being made on the day on which such proposal is submitted.

### 7.2.7 **Amendment Register**

7.2.7.1 The Committee Secretary shall establish and maintain a register (the "**Amendment Register**") which shall record, in such form as the Committee may determine, the matters set out in sub-paragraph 7.2.7.3.

7.2.7.2 The purpose of the Amendment Register shall be to assist the Committee in the operation of the Amendment Procedures under this Code and to enable the Parties and other interested third parties (including any person designated by the Authority under sub-paragraph 7.2.2.1(b)) to be reasonably informed of the progress of Proposed Amendments including any Alternative Amendments, Urgent Proposed Amendments and Approved Amendments from time to time.

7.2.7.3 The Amendment Register shall record:

- (a) details of each Proposed Amendment and any Alternative Amendment or Urgent Proposed Amendment (including the name of the Proposer, the date of the Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and a brief description of the Proposed Amendment or any Alternative Amendment) or Urgent Proposed Amendment;
- (b) the current status and progress of each Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and the anticipated date for reporting to the Authority in respect thereof;
- (c) the current status and progress of each Approved Amendment; and
- (d) such other matters as the Committee may consider appropriate from time to time in order to achieve the purposes set out in sub-paragraph 7.2.7.2.

7.2.7.4 The Amendment Register shall, in addition to those matters set out in sub-paragraphs 7.2.7.3, also include details of:

- (a) each Proposed Amendment or any Alternative Amendment which has been withdrawn pursuant to sub-paragraph 7.2.2.6 or rejected by the Authority; and

- (b) each Approved Amendment which has been implemented pursuant to sub-paragraph 7.2.10,

for a period of six months after such withdrawal, rejection or implementation, or such longer period as the Committee may determine.

- 7.2.7.5 The Committee Secretary shall publish the Amendment Register (as updated from time to time and indicating the revisions since the previous issue) on the Code Website or (in the absence, for whatever reason, of the Code Website) in such other manner and with such frequency (being not less than once per month) as the Parties may agree, in order to bring it to the attention of interested third parties and send a copy of same to each of the Parties and any person designated by the Authority under sub-paragraph 7.2.2.1(b).

## 7.2.8 **Monthly Progress Report**

- 7.2.8.1 The Committee shall prepare and submit to the Authority each month (or such less frequent period as shall be agreed with the Authority if there is no material matter arising to report) a report (to be known as the "**Progress Report**") setting out the matters referred to in sub-paragraph 7.2.8.2 in respect of the preceding month (or such longer period, as applicable) and the Committee Secretary shall then send a copy of the Progress Report to each Party and persons designated by the Authority under sub-paragraph 7.2.2.1(b).

- 7.2.8.2 The Progress Report shall contain:

- (a) the current version of the Amendment Register;
- (b) details of the scheduling and timetable for consideration of each Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and completion of the Amendment Report in respect thereof in the context of all other current Proposed Amendments or any Alternative Amendment or Urgent Proposed Amendment (including an indication of the priority that the Committee affords to and between such proposals);
- (c) details of any decision to amalgamate Proposed Amendments under sub-paragraph 7.2.3.4;
- (d) details of any circumstances which lead the Committee or any Party to believe that the Implementation Date for an Approved Amendment is unlikely to be met and, if so, why;

- (e) such other matters as the Authority may request to be included from time to time; and
- (f) the basis for each of the decisions referred to above.

7.2.8.3 In the event that the Authority at any time submits a written request to the Committee to provide to it any information with respect to consideration or progress of any Proposed Amendment, Alternative Amendment or Urgent Proposed Amendment, the Committee shall promptly comply with such request.

7.2.8.4 If, following discussion with the Committee, the Authority issues a notice to the Committee Secretary requesting the Committee:

- (a) not to amalgamate Proposed Amendments as set out in the Progress Report; or
- (b) to amend the timetable for a Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment (including the priority afforded to and between such proposals),

the Committee Secretary shall send a copy of the notice to each Party and any person designated by the Authority under subparagraph 7.2.2.1(b)). The Committee shall comply with such notice.

7.2.8.5 The Committee Secretary shall publish each Progress Report on the Code Website within seven Business Days after it is sent to the Authority, provided that the Committee Secretary shall exclude therefrom any notice issued by the Authority pursuant to this paragraph 7.

## 7.2.9 **Change Co-ordination**

7.2.9.1 The Committee shall establish (and, where appropriate, revise from time to time) joint working arrangements with each panel or other body responsible for proposing change to the BSC, CUSC or Core Industry Document, to facilitate the identification, co-ordination, making and implementation of change to the BSC, CUSC or Core Industry Document or such other designated documents consequent on an amendment to the Code, in a full and timely manner. Such working arrangements shall include, without limitation, inviting representatives from panels and bodies referred to in this sub-paragraph 7.2.9.1 to participate in any working groups established or discussions with the Committee or any Party pursuant to this paragraph 7, when the Committee or a Party or Parties otherwise identify the likelihood of an impact of a Proposed Amendment and any Alternative Amendment, on the

BSC, CUSC, Core Industry Document or such other designated document.

7.2.9.2 The working arrangements referred to in sub-paragraph 7.2.9.1 shall be such as enable the consideration, development and evaluation of Proposed Amendments and Alternative Amendments, and the implementation of Approved Amendments, to proceed in a full and timely manner and enable changes to the BSC, CUSC or Core Industry Document or other designated documents consequent on an Approved Amendment to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Approved Amendment is made and given effect.

#### 7.2.10 **Implementation**

7.2.10.1 Upon service by NGET to the Parties and any person designated by the Authority under sub-paragraph 7.2.2.1(b), of a signed notice of amendment in accordance with a direction of the Authority issued pursuant to NGET's Transmission Licence, the Code shall be amended in accordance with the terms of such notice.

7.2.10.2 An amendment to the Code shall take effect from the date and time as specified in the notice referred to in sub-paragraph 7.2.10.1 or, in the absence of any such specified time and date, 00:00 hours on the day next following the date of service of such notice.

7.2.10.3 The Parties shall be responsible for implementing any Approved Amendment in accordance with this sub-paragraph 7.2.10.

7.2.10.4 The Relevant Parties to Code Procedures shall as soon as reasonably practicable make such amendments to Code Procedures or adopt such new Code Procedures as are necessary to give full and timely effect to an Approved Amendment by the Implementation Date.

7.2.10.5 In relation to Approved Amendments:

(a) each Party shall use its reasonable endeavours to progress changes made to the BSC, CUSC and Core Industry Documents (to the extent that it is a party to them) in order to give full and timely effect to an amendment to the Code by the Implementation Date;

(b) each Party shall do what is required to those of its systems and processes which support the operation of the Code as may be necessary in order to give full and timely effect to an amendment to the Code by the Implementation Date; and

- (c) each Party must keep the Committee informed of any matter that may affect the ability for the Implementation Date to be met.

7.2.10.6 Without prejudice to the obligations of the Parties under this subparagraph 7.2.10, the Implementation Date may be extended or shortened with the prior approval of, or at the direction of, the Authority.

7.2.10.7 The Committee or any Party shall apply to the Authority for an extension of the Implementation Date if it becomes aware of any circumstances that are likely to cause a delay in the implementation of an Approved Amendment.

7.2.10.8 An amendment made pursuant to and in accordance with this paragraph 7.2 shall not be impaired or invalidated in any way by any inadvertent failure to comply with or give effect to this subparagraph 7.2.10.

### 7.3 **Amendment and Creation of Code Procedures**

7.3.1 The Relevant Parties may amend (whether by way of modification, deletion, addition, replacement or otherwise) existing Code Procedures or create additional Code Procedures subject to and in accordance with the procedures set out in this paragraph 7.3.

7.3.2 The Relevant Parties may only make amendments to existing Code Procedures or create additional Code Procedures if and to the extent that:

7.3.2.1 the amendment or addition falls within the terms and arrangements set out in Standard Condition B12; and

7.3.2.2 the amendment or addition does not impair, frustrate or invalidate the provisions of the Code; and

7.3.2.3 the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Parties which are not subsidiary to the rights and obligations of the Parties under the Code; and

7.3.2.4 the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements; and

7.3.2.5 the Relevant Parties deem that the amendment or addition is appropriate to support compliance with the Code.

7.3.3 All Relevant Parties shall use reasonable endeavours to agree between themselves any amendment to an existing Code Procedure or creation of a new Code Procedure that is proposed by a Relevant Party.

- 7.3.4 The Relevant Parties may agree an amendment to an existing Code Procedure or creation of a new Code Procedure under this paragraph 7.3 despite the prohibition in sub-paragraph 7.3.2.3 only where the Authority has notified the Relevant Parties in writing that they may do so. The Parties shall provide the Authority with such information as it may direct in order to inform its decision under this sub-paragraph 7.3.4.
- 7.3.5 Where the Relevant Parties are unable to reach agreement pursuant to sub-paragraph 7.3.3, any such Relevant Party may promptly forward the matter as a Dispute to the Authority under Section H, paragraph 4.1 whereupon the Parties shall comply with such determination and direction as the Authority may make after taking such steps as the Authority may deem fit in order to make such direction (including, without limitation, seeking representations from the Parties and any other person and consulting on any potential amendment to an existing Code Procedure or creation of a new Code Procedure). The Parties shall be bound by such direction as the Authority shall make in relation to an amendment to a Code Procedure or creation of a new Code Procedure until such time as the Relevant Parties can agree between themselves any changes pursuant to this paragraph 7.3.
- 7.3.6 For the avoidance of doubt, any direction made by the Authority pursuant to sub-paragraph 7.3.5 shall not constitute approval of any such amendment to a Code Procedure or creation of a new Code Procedure and any notice issued by the Authority pursuant to sub-paragraph 7.3.4 shall only constitute a waiver of such prohibition for the purpose of this Code and shall not constitute approval of the amendment to a Code Procedure or creation of a new Code Procedure in any other respect.
- 7.3.7 Where an amendment to a Code Procedure or the creation of a new Code Procedure is agreed pursuant to sub-paragraph 7.3.3 or directed pursuant to sub-paragraph 7.3.5 then the Relevant Parties shall co-ordinate the sending of the text of the amended Code Procedure or new Code Procedure (and including the proposed effective date for such amendment or new Code Procedure), signed and dated by all Relevant Parties, to the Committee Secretary (for and on behalf of all Relevant Parties).
- 7.3.8 Upon receipt of a signed amended Code Procedure or new Code Procedure pursuant to sub-paragraph 7.3.7, the Committee Secretary shall immediately (and in any event prior to the effective date specified by the Relevant Parties in such amended Code Procedure or new Code Procedure):
- 7.3.8.1 send a copy of the amended Code Procedure or new Code Procedure to each of the Relevant Parties and to the Authority;
  - 7.3.8.2 update Schedule Two to include the relevant details of the amended Code Procedure or new Code Procedure;
  - 7.3.8.3 send a notice containing a copy of the amended Schedule Two to the Authority, each of the Parties and to such other person as the Authority may designate from time to time, upon the date of which

notice, such amended Schedule shall be deemed to be an amendment to the Code for the purposes of this Section B;

7.3.8.4 post a copy of the amended Schedule Two on the Code Website;  
and

7.3.8.5 update the library of Code Procedures pursuant to Section A,  
paragraph 3.

7.3.9 An amendment to a Code Procedure or the addition of a new Code Procedure pursuant to this paragraph 7.3 shall take effect on the date specified in any notice issued pursuant to Section B, sub-paragraph 7.3.8.3.

7.3.10 Unless otherwise directed by the Authority, only the Committee Secretary shall be entitled to amend Schedule Two, and shall only be entitled to do so in accordance with and pursuant to sub-paragraph 7.3.8.

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

This Annex includes copies of any representations received following circulation of the Proposed Amendment Report (circulated on 21<sup>st</sup> November 2007, requesting comments by close of business on 5<sup>th</sup> December 2007).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	E.ON UK plc	CA028-AR-01



Bali Virk  
STC Committee Secretary  
National Grid  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

**E.ON UK plc**  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG  
eon-uk.com

Paul Jones  
024 76 183 383

paul.jones@eon-uk.com

5 December, 2005

Dear Bali,

### **CA028 – Amendment to Governance Timescales**

Thank you for the opportunity to respond to the above consultation. E.ON UK fully supports these proposals.

Extending both the maximum consultation period and the maximum length of the assessment and report phase is very welcome and will allow more complicated amendments to receive an appropriate level of scrutiny. It will also align the STC change timescales more with those for other industry codes. This should allow the cross governance change processes required under 7.2.9.1 of the STC to function more effectively.

Yours sincerely

Paul Jones  
Trading Arrangements

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