

Working Group Terms of Reference and Membership

TERMS OF REFERENCE FOR CAP179 WORKING GROUP

RESPONSIBILITIES

1. The Working Group is responsible for assisting the CUSC Amendments Panel in the evaluation of CUSC Amendment Proposal CAP179, "Timing Out of Authority decisions on Amendment Proposals", tabled by National Grid at the Amendments Panel meeting on 29th January 2010.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence; and
 - (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.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC amendment provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

SCOPE OF WORK

4. The Working Group must consider the issues raised by the Amendment Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Working Group shall consider and report on the following specific issues:
 - a) Identify the defect to be addressed within the CUSC;
 - b) Agree transitional implementation arrangements for CAP179, taking into account the precedent used for implementation of CAP160;
6. The Working Group is responsible for the formulation and evaluation of any Working Group Alternative Amendments (WGAAs) arising from Group discussions which would, as compared with the Amendment Proposal, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
7. The Working Group should become conversant with the definition of Working Group Alternative Amendments which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Working Group to put forward a Working Group Alternative Amendment if the member(s) genuinely believes the Alternative would better facilitate the achievement of the Applicable CUSC Objectives. The extent of the support for the Amendment Proposal or any Working Group

Alternative Amendment arising from the Working Group's discussions should be clearly described in the final Working Group report to the CUSC Amendments Panel.

8. There is an obligation on Working Group members to propose the minimum number of Working Group Alternative Amendments where possible.
9. All proposed Working Group Alternative Amendments should include the proposer(s)'s details within the final Working Group report, for the avoidance of doubt this includes Alternative(s) which are proposed by the entire Working Group or subset of members.
10. There is an obligation on the Working Group to undertake a period of Consultation in accordance with CUSC 8.17. The Working Group Consultation period shall be for a period of 10 Business Days as determined by the Amendments Panel.
11. Following the Consultation period the Working Group is required to consider all responses including any WG Consultation Alternative Requests. As appropriate the Working Group will be required to undertake any further analysis and update the original Amendment Proposal and/or Working Group Alternative Amendments. All responses, including any WG Consultation Alternative Requests, shall be included within the final report including a summary of the Working Group's deliberations and conclusions.
12. The Working Group is to submit its final report to the CUSC Panel Secretary on 13th May 2010 for circulation to Panel Members. The conclusions will be presented to the Amendments Panel meeting on 21st May 2010.

MEMBERSHIP

13. It is recommended that the Working Group has the following members:

| Role | Name | Organisation |
|------------------------------|----------------|--------------------------|
| Working Group Chair | Kathryn Coffin | Elexon |
| National Grid representative | Alex Thomason | National Grid (Proposer) |
| Industry representatives | | |

| | | |
|--------------------------|-----------|---------------|
| Authority representative | | |
| Technical Secretary | Bali Virk | National Grid |

NB: A Working Group must comprise at least 5 Members (who may be Panel Members).

14. The Chair of the Working Group and the Amendments Panel Chairman must agree a number that will be quorum for each Working Group meeting. The agreed figure for CAP179 is that at least 5 Working Group members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Working Group members on the proposal and each Working Group Alternative Amendment, as appropriate, as to whether it better facilitates the Applicable CUSC Objectives and indicate

which option is considered the BEST with regard to the Applicable CUSC Objectives. The results from the vote shall be recorded in the Working Group Report.

16. Working Group members (or their appointed alternate) are required to attend a minimum of 50% of the Working Group meetings to be eligible to participate in the Working Group vote.
17. The Technical Secretary will keep an attendance record for the Working Group meetings and circulate the attendance record with the action notes after each meeting. The attendance record will be attached to the final Working Group report.
18. The membership can be amended from time to time by the CUSC Amendments Panel.

RELATIONSHIP WITH AMENDMENTS PANEL

19. The Working Group shall seek the views of the Amendments Panel before taking on any significant amount of work. In this event the Working Group Chairman should contact the CUSC Panel Secretary.
20. The Working Group shall seek the Amendments Panel advice if a significant issue is raised during the Consultation process which would require a second period of Consultation in accordance with 8.17.17.
21. Where the Working Group requires instruction, clarification or guidance from the Amendments Panel, particularly in relation to their Scope of Work, the Working Group Chairman should contact the CUSC Panel Secretary.

MEETINGS

22. The Working Group shall, unless determined otherwise by the Amendments Panel, develop and adopt its own internal working procedures and provide a copy to the Panel Secretary for each of its Amendment Proposals.

REPORTING

23. The Working Group Chairman shall prepare a final report to the May 2010 Amendments Panel, responding to the matter set out in the Terms of Reference including all Working Group Consultation responses and Consultation Alternative Requests.
24. A draft Working Group Report must be circulated to Working Group members with not less than five business days given for comments.
25. Any unresolved comments within the Working Group must be reflected in the final Working Group Report.
26. The Chairman (or another member nominated by him) will present the Working Group report to the Amendments Panel as required.

Appendix 1: Indicative Working Group timeline

| Activity | Deadline/Date | Notes |
|---|-------------------------------------|--|
| Agree Working Group terms of reference | 26 th February 2010 | Panel Members to approve |
| First Working Group meeting | 2 nd March 2010 | |
| Draft Working Group consultation document & circulate for comment | 9 th March 2010 | Circulate to Working Group members for comment |
| Deadline for comments on consultation document | 5pm on 16 th March 2010 | |
| Issue Working Group consultation document | 18 th March 2010 | 2 week consultation |
| Deadline for responses to Working Group consultation | 5pm on 1 st April 2010 | |
| Second Working Group meeting | w/c 12 th April 2010 | To discuss consultation responses and any WG Consultation Alternative Requests |
| Draft Working Group report and circulate for comment | 20 th April 2010* | Circulate to Working Group members for comment |
| Deadline for comments on draft Working Group report | 5pm on 27 th April 2010* | |
| Issue Working Group report to National Grid | 29 th April 2010* | |
| Publish Working Group report with Panel papers | 22 nd April 2010* | |
| Present Working Group report to Amendments Panel | 30 th April 2010* | Working Group Chair to present |

NB. At the January 2010 Amendments Panel meeting, the Panel agreed that the CAP179 Working Group should report back to the April 2010 Amendments Panel meeting. Due to the first Working Group meeting being delayed until 2nd March, the April deadline cannot be met and will require the Amendments Panel's agreement to delay until May 2010.

** These dates are based on the premise that no WG Consultation Alternative Requests are made. Should further work be required to consider WG Consultation Alternative Requests or WGAAAs, this part of the process may be delayed and a further extension to the report submission deadline to the Amendments Panel meeting may be required.*