

WORKING GROUP REPORT

CUSC Amendment Proposal CAP044

Extension of Election Arrangements to Panel

Alternates

**Prepared by the CAP044 Working Group
for submission to the Amendments Panel**

Amendment Ref	CAP044
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Prepared by	Nigel Cornwall

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
0.1	7/2/03	N Cornwall	
1.0	19/2/03	N Cornwall	

b Distribution

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

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 On 22 November the CUSC Panel agreed to reconstitute the Governance Standing Group (GSG) to consider CAP044 as a Working Group. The Group met on 13 December and 24 January to discuss CAP044 after providing an interim report to the Panel on 24 January.
- 1.2 The Working Group supported the need for an amendment to the CUSC to remedy the defect addressed by CAP044. However, after developing a simple methodology to identify whether an alternative amendment would better facilitate the applicable CUSC objectives, the Group identified an alternative amendment that received a majority (but not unanimous) support within the Group. The Panel determined on 24 January that the Working Group should develop the alternative amendment further and present its final report to the Panel on 21 February.
- 1.3 The CUSC Panel is therefore invited to:
- i) note the views of the Working Group concerning the original proposal and that the Working Group did by majority support an Alternative Amendment which in its view better facilitates the applicable CUSC objectives;
- and endorse that:
- ii) National Grid should proceed to wider industry consultation on the original Amendment Proposal and the Alternative Amendment favoured by the majority of the Working Group.

2.0 INTRODUCTION

- 2.1 Paragraph 8.6.2 (a) of the CUSC provides for the appointment of up to five alternate members for Users' Panel Members by election in accordance with Annex 8A of the CUSC. The Panel Alternates then form a group from which Panel Members may select a person to act as their alternate (8.6.2 (b)). Panel Members cannot choose an alternate who has already been chosen by another Panel Member to act as their alternate. In those situations the Panel Member may choose as his alternate any Alternate Member or other Panel Member who is not already acting as alternate for more than one Panel Member (8.6.2 (c)). Once appointed Alternate Members have the same rights and powers as Panel Members who they deputise for.
- 2.2 The five Alternate Members elected by this process in 2001 were:
- Ian Moran (Scottish and Southern)
 - Brian Sequeira (British Gas Trading)
 - Simon Lord (Edison Mission Energy)
 - John Stewart (Campbell Carr Consultancy)
 - Richard Ford (St Clements Services)

Since the elections in 2001 two Alternate Members have resigned (Ian Moran and Richard Ford) leaving just three alternates to cover the eight Panel Members and during the summer 2002 alternates had to double up to cover absenting Panel Members. The elections for Panel Alternates are an integral part of the elections for Panel Members i.e.: CUSC makes no explicit

provision for elections of Panel Alternates separate from the election arrangements for Panel Members. Election arrangements are biennial after the inception of CUSC in September 2001 and hence there will be no further opportunity to elect further Panel Alternates until Autumn 2003.

- 2.3 Annex 8.A of the CUSC sets out the detailed arrangements for election of Users' Panel Members. Paragraph 8A.4 deals with the arrangements for replacement of "Resigning" Panel Members. This involves identifying those Users who voted for the "Resigning" Panel Member or who did not vote for (and are not affiliates of any User which voted for) any elected Panel Member still serving. Assuming this identification is possible (and CUSC makes no provision where it is not) then these Users are entitled to participate in a further election, provided the replacement will be for not less than 6 months and which will be administered by NGC. For a replacement period of less than 6 months, the User who nominated the Resigning Panel Member shall be entitled to appoint a replacement for the remainder of the term of office for the Resigning Panel Member. Unfortunately Paragraph 8A.4 only refers to Resigning Panel Members not Resigning Alternate Members. It is therefore National Grid's interpretation that Paragraph 8A.4 cannot be applied to the problem posed by Resigning Panel Alternates. This interpretation is confirmed by the fact that "Resigning Panel Member" is a defined term within the CUSC whereas "Resigning Alternate Member" is not. It would therefore require a formal Amendment Proposal to change Annex 8A of CUSC to allow elections of Panel Alternates separate from elections for Panel Members.
- 2.4 CAP044 therefore seeks to amend Annex 8A.4 to make it clear that the election arrangements currently in place to cater for "Resigning Panel Members" also applies to "Resigning Alternate Members". "Resigning Alternate Members" would also become a new defined term in the CUSC. The CUSC Amendments Panel agreed in principle at its meeting on 25 October that the fact that the CUSC does not deal with the problem of "Resigning Alternate Members" is a defect in the current Code which requires a solution.
- 2.5 The Proposer, NGC, argued that the amendment to Annex 8A.4 to extend election arrangements currently applying in the event of Resigning Panel Members also to Resigning Alternate Members would improve efficiency in the amendment procedures. It would ensure that National Grid could more efficiently discharge its obligations in the amendment process by reducing the likelihood of inquorate CUSC Amendments Panel Meetings as well as improving the choice of Alternate Members available to Panel Members in the event that they were unable to attend Panel meetings. The text of the Amendment Proposal is at Annex 2, Part A.

3.0 PURPOSE AND SCOPE OF WORKING GROUP

- 3.1 In accordance with the Terms of Reference for the Working Group the Working Group considered the National Grid Proposal CAP044. The Working Group also developed and considered an Alternative Amendment which is described in this report.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 4.1 The Applicable CUSC Objectives are defined within Condition C7F of the Transmission Licence as:

- (a) in relation to a proposed modification of the modification procedures, the requirements of paragraph 6 (to the extent that they do not conflict with the objectives set out in paragraph 1); and
- (b) in relation to any other proposed modification, the objectives set out in paragraph 1.
- 4.2 The objectives detailed in paragraph 1 are the efficient discharge by the licensee of the obligations under the Act and licence and to facilitate competition in the generation and supply of electricity and where consistent facilitating competition in the sale, distribution and purchase of electricity.
- 4.3 In relation to this amendment proposal, the Working Group agreed that the objectives of (a) above (i.e. Paragraph 6 of the Transmission Licence), is the relevant objective against which this Amendment Proposal should be judged when deciding whether they are better facilitated. In summary paragraph 6 requires the licensee to establish and operate procedures to modify the CUSC itself in order to better facilitate the Applicable CUSC Objectives and therefore the amendment proposal must better facilitate this process so that the broader objectives of facilitating competition can be achieved.
- 4.4 The Working Group considered that it was important to note that the Proposer, NGC, had identified a defect discussed at earlier Panel meetings and had proposed one solution for correcting the deficiency. From the outset of the group's discussions, it had been apparent that there was a variety of possible mechanisms for addressing the defect, and the Proposer was supportive of the desire to explore the options against stated criteria that fit with the Applicable CUSC Objectives.
- 4.5 Five possible solutions were identified and explored by the Working Group:
- A - The original Amendment Proposal, based on a partial election by CUSC parties who voted for alternates who have vacated the alternate role ("partial solution")
 - B - Election based on a poll of all eligible CUSC parties ("full election")
 - C - Co-option of alternates by the Panel
 - D - Co-option of alternates by the Panel following calls for nominations for candidates from CUSC Parties
 - E - More frequent elections, say annual, which might have the effect of reducing the erosion of the pool of alternates.

Each of the possible approaches received support from at least one Working Group member as the basis for its further evaluation.

Evaluation criteria

- 4.6 In addition to the Applicable Objective described in Paragraph 6 of Condition C7F of the Transmission Licence, which relates to the efficiency of the CUSC amendment procedures, the GSG considered that some more specific evaluation criteria should be adopted to guide its deliberations. Whilst these cannot of course hold precedence over the objective in Paragraph 6 of Condition C7F, they nonetheless enable a more detailed assessment of the options. They are:
- enables practicality/workability (ie: the solution will work whatever happens to the market structure);
 - facilitates linkage with voting parties (though not accountability as the role of an Alternate is explicitly non representational); and

- minimises unnecessary complexity.

Against these criteria each GSG member except the chairman was asked to state a preference or preferences for one or more of the five options.

4.7 The options received support as follows:

Option	Member 1	Member 2	Member 3	Member 4	Member 5	Member 6
A					✗	
B	✗					
C		✗		✗	✗	
D	✗	✗	✗		✗	✗
E						✗

Overall, most members of the group felt that co-option was the best route but with more support for the option based on the variant whereby CUSC parties are asked for initial nominations (Option D). Based on its deliberations, the Working Group agreed to develop an Alternative Amendment based on nomination/co-option (i.e. Option D) in its report.

- 4.8 The Group anticipated that the number and strength of consultation responses would be a useful indicator to the Authority about the balance of interest amongst the CUSC Parties regarding this issue.

Working Group Conclusions

- 4.9 The majority of Working Group Members supported the evaluation approach described in this Report. However one Working Group Member indicated in response to an earlier draft of this Report that he might want to change the ranking of the options set out in the table in paragraph 4.7 above in the light of the intention of the election arrangements and the ability for them to work in all situations, without giving unintended powers to unrepresentative or inappropriate groups. After further discussion the Working Group agreed that an Alternative Amendment based on Option D was still the choice of the Group on a majority basis. One Working Group Member believes that the Alternative Amendment requires some further work for it to meet the objective. That Working Group Member does not believe that it is right for all Panel Members to have a vote in selecting replacement Alternative Members after nomination by CUSC Parties and has concerns that a simple majority based upon one vote may not give a clear result.

5.0 ALTERNATIVE AMENDMENT

Description of Alternative Amendment

- 5.1 As described in Paragraphs 4.6 to 4.8 above the CAP044 Working Group agreed that an Alternative Amendment based on Option D (nomination/co-option) should be put forward. The Alternative Amendment seeks to remedy the defect in the CUSC identified by the original Amendment Proposal by introducing an arrangement for co-option of Alternates by the Panel following a request for nominations for candidates by CUSC Parties.

Assessment Against Applicable CUSC Objectives

- 5.2 The terms of the Transmission Licence require National Grid to establish and operate procedures for the modification of the CUSC, including the

modification procedures themselves, so as to better facilitate achievement of the Applicable CUSC Objectives. The Working Group believe that the Alternative Amendment better facilitates achievement of the Applicable CUSC Objectives compared to the original Amendment Proposal since it also meets the additional criteria identified by the Working Group and described in Paragraph 4.6 above.

6.0 PROPOSED IMPLEMENTATION AND TIMESCALES

- 6.1 The Amendment Proposal and the Alternative Amendment do not have a material impact outside of the scope of the CUSC. It is proposed that implementation takes place with effect from 10 days after the Authority's decision.

7.0 IMPACT ON CUSC

- 7.1 The Amendment Proposal and Alternative Amendment would require amendment of Annex 8A.4 of the CUSC as described in this report. There is no impact on any other part of the CUSC.
- 7.2 The text required to give effect to the Amendment Proposal is set out in Part A of Annex 2. The text to give effect to the Alternative Amendment is set out in Part B of Annex 2.

8.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

- 8.1 Neither the Amendment Proposal nor the Alternative Amendment will have an impact on any Core Industry documents or other industry documentation.

Annex 1 – Working Group Terms of Reference and Membership

TERMS OF REFERENCE FOR CAP044 WORKING GROUP

RESPONSIBILITIES

1. The Working Group is responsible for assisting the CUSC Amendments Panel in the evaluation of CUSC Amendment Proposal CAP044 tabled by National Grid at the Amendments Panel meeting on 22nd November 2002.
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. The Working Group is responsible for the formulation and evaluation of any Alternative Amendments 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. The Working Group shall have due regard to Core Industry Documents and other industry documents in the evaluation of the Amendment Proposal and any Alternative Amendment.
6. The Working Group is to submit their final report to the CUSC Panel Secretary on 13 February 2003 for circulation to Panel Members. The conclusions will be presented to the CUSC Panel meeting on 21st February 2003.

MEMBERSHIP

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

Chair	Nigel Cornwall
National Grid	Richard Dunn
Industry Representatives	Malcolm Taylor Dick Cecil Simon Goldring Jane Butterfield Steve Phillips

Authority Representative Mathew Buffey
Technical Secretary Richard Dunn

8. The membership can be amended from time to time by the CUSC Amendments Panel.

RELATIONSHIP WITH AMENDMENTS PANEL

9. 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.
10. 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

11. 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

12. The Working Group Chairman shall prepare a final report to the February 2003 Amendments Panel responding to the matter set out in the Terms of Reference.
13. A draft Working Group Report must be circulated to Working Group members with not less than five business days given for comments.
14. Any unresolved comments within the Working Group must be reflected in the final Working Group Report.
15. The Chairman (or another member nominated by him) will present the Working Group report to the Amendments Panel as required.

Annex 2 – Proposed Text to modify CUSC

Part A - Text to give effect to the Amendment Proposal

Change Marked Version

ANNEX 8A ELECTION OF USER'S PANEL MEMBERS

8A.4. VACANCIES

8A.4.1 General

8A.4.1.1 If a **Panel Member** (the "**Resigning**" **Panel Member**) or an Alternate Member (the "Resigning" Alternate Member) ceases to hold office pursuant to Paragraph 8.5:

- (a) not less than 6 months before the expiry of the term of his office, Paragraph 8A.4.2 shall apply.
- (b) less than 6 months before the expiry of the term of his office, Paragraph 8A.4.3 shall apply.

8A.4.1.2 The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or Alternate Member under this Paragraph 8A.4.

8A.4.2 Replacement for not less than 6 months

8A.4.2.1 Where this Paragraph 8A.4.2 applies, a replacement **Panel Member** or Alternate Member shall be elected (for the remainder of the term of office of the **Resigning Panel Member** or Resigning Alternate Member) in accordance with Paragraph 8A.2 and 8A.3 but subject to the further provisions of this Paragraph 8A.4.2.

8A.4.2.2 Only those Users who voted for the **Resigning Panel Member** or Resigning Alternate Member, or who did not vote for (and are not Affiliates of any User which voted for) any elected **Panel Member** or Alternate Member still serving, shall participate in the election by nominating candidates or submitting voting papers.

8A.4.2.3 **NGC** shall circulate to all **Users** a list of the **Users** who are to participate in the election.

8A.4.2.4 For the purposes of this Paragraph 8A.4.2 a **User** is considered (in any election of Users' **Panel Members** and Alternate Members) to have voted for an elected candidate where that **User** indicated a **Preference Vote** in favour of that candidate which was counted (under the first or second or third voting round or further round under Paragraph 8A.3.6, as the case may be) in electing that candidate.

8A.4.2.5 The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.

8A.4.3 Replacement for less than 6 months

8A.4.3.1 Where this Paragraph 8A.4.3 applies, the User which nominated the **Resigning Panel Member** or Resigning Alternate Member shall be entitled (by notice to **NGC**) to appoint a replacement **Panel Member** or Alternate Member for the remainder of the term of office of the **Resigning Panel Member** or Resigning Alternate Member.

8A.4.3.3 If such **User** does not appoint a replacement, the position shall remain vacant until the next full election.

11.3 DEFINITIONS

"Resigning Alternate Member" as defined in Paragraph 8A.4.1

Clean Version

Draft Text to give effect to the Amendment Proposal

ANNEX 8A ELECTION OF USER'S PANEL MEMBERS

8A.4. VACANCIES

8A.4.1 General

8A.4.1.1 If a **Panel Member** (the "**Resigning**" **Panel Member**) or an **Alternate Member** (the "**Resigning**" **Alternate Member**) ceases to hold office pursuant to Paragraph 8.5:

- (c) not less than 6 months before the expiry of the term of his office, Paragraph 8A.4.2 shall apply.
- (d) less than 6 months before the expiry of the term of his office, Paragraph 8A.4.3 shall apply.

8A.4.1.2 The provisions of Paragraph 8A.2.1.2 shall apply, mutatis mutandis, to any replacement **Panel Member** or **Alternate Member** under this Paragraph 8A.4.

8A.4.2 Replacement for not less than 6 months

8A.4.2.1 Where this Paragraph 8A.4.2 applies, a replacement **Panel Member** or **Alternate Member** shall be elected (for the remainder of the term of office of the **Resigning Panel Member** or **Resigning Alternate Member**) in accordance with Paragraph 8A.2 and 8A.3 but subject to the further provisions of this Paragraph 8A.4.2.

8A.4.2.2 Only those Users who voted for the **Resigning Panel Member** or **Resigning Alternate Member**, or who did not vote for (and are not Affiliates of any User which voted for) any elected **Panel Member** or **Alternate Member** still serving, shall participate in the election by nominating candidates or submitting voting papers.

8A.4.2.3 **NGC** shall circulate to all **Users** a list of the **Users** who are to participate in the election.

8A.4.2.4 For the purposes of this Paragraph 8A.4.2 a **User** is considered (in any election of Users' **Panel Members** and **Alternate Members**) to have voted for an elected candidate where that **User** indicated a **Preference Vote** in favour of that candidate which was counted (under the first or second or third voting round or further round under Paragraph 8A.3.6, as the case may be) in electing that candidate.

8A.4.2.5 The timetable for the election shall be expedited and **NGC** shall prepare a timetable accordingly.

8A.4.3 Replacement for less than 6 months

8A.4.3.1 Where this Paragraph 8A.4.3 applies, the User which nominated the **Resigning Panel Member** or **Resigning Alternate Member** shall be entitled (by notice to **NGC**) to appoint a replacement **Panel Member** or **Alternate Member** for the remainder of the term of office of the **Resigning Panel Member** or **Resigning Alternate Member**.

8A.4.3.3 If such **User** does not appoint a replacement, the position shall remain vacant until the next full election.

11.3 DEFINITIONS

"Resigning Alternate Member" as defined in Paragraph 8A.4.1

Part B - Text to give effect to the Alternative Amendment

Change Marked Version

8A.4.1.3 If an **Alternate Member** (the "**Resigning**" **Alternate Member**) ceases to hold office pursuant to Paragraph 8.5 at any time, **NGC** shall as soon as practicable circulate to all **Users** (by publication on the **NGC Website** and, where relevant details are supplied, by electronic mail), and a copy to the **Authority**, an invitation to nominate candidates who must be willing to be an **Alternate Member**. **NGC** shall notify the **Amendments Panel** at the next appropriate regular meeting of the nominations it receives and the **Amendments Panel** shall decide, in accordance with the provisions of Paragraph 8.10, on the candidate(s) who should replace the **Resigning Alternate Member(s)**. The **Panel Secretary** shall give prompt notice to all **Panel Members**, all **CUSC Parties** and the **Authority** of the appointment of any **Alternate Member** under the arrangements described in this Paragraph.

8A.4.1.4 For the avoidance of doubt, the provisions of Paragraph 8.6 of the **CUSC** shall apply to any **Alternate Member** appointed under the arrangements described in Paragraph 8A.4.1.3 as if he were appointed under the election arrangements described in this Annex 8A.

11.3 DEFINITIONS

"Resigning Alternate Member" as defined in Paragraph 8A.4.1

Clean Version

- 8A.4.1.3** If an **Alternate Member**(the "**Resigning**" **Alternate Member**) ceases to hold office pursuant to Paragraph 8.5 at any time, **NGC** shall as soon as practicable circulate to all **Users** (by publication on the **NGC Website** and, where relevant details are supplied, by electronic mail), and a copy to the **Authority**, an invitation to nominate candidates who must be willing to be an **Alternate Member**. **NGC** shall notify the **Amendments Panel** at the next appropriate regular meeting of the nominations it receives and the **Amendments Panel** shall decide, in accordance with the provisions of Paragraph 8.10, on the candidate(s) who should replace the **Resigning Alternate Member(s)**. The **Panel Secretary** shall give prompt notice to all **Panel Members**, all **CUSC Parties** and the **Authority** of the appointment of any **Alternate Member** under the arrangements described in this Paragraph.
- 8A.4.1.4** For the avoidance of doubt, the provisions of Paragraph 8.6 of the CUSC shall apply to any **Alternate Member** appointed under the arrangements described in Paragraph 8A.4.1.3 as if he were appointed under the election arrangements described in this Annex 8A.

11.3 DEFINITIONS

"Resigning Alternate Member" as defined in Paragraph 8A.4.1.3

Annex 3 – Amendment Proposal Form

CUSC Amendment Proposal Form		CAP044
Title of Amendment Proposal:		
Extension of Election Arrangements to Panel Alternates.		
Description of the Proposed Amendment (<i>mandatory by proposer</i>):		
This amendment proposes that the election arrangements contained in Annex 8A.4 relating to "Resigning Panel Members" should be extended to include Resigning Panel Alternates which should also become a defined term in the CUSC.		
Description of Issue or Defect that Proposed Amendment seeks to Address (<i>mandatory by proposer</i>):		
The Proposal to amend Annex 8A.4 to makes it clear that the election arrangements currently in place to cater for "Resigning Panel Members" also applies to "Resigning Alternate Members". "Resigning Alternate Members" would also become a new defined term in the CUSC. The CUSC Amendments Panel agreed in principle at its meeting on 25 October that the fact that the CUSC does not deal with the problem of "Resigning Alternate Members" is a lacuna in the current Code which requires a solution.		
Impact on the CUSC (<i>this should be given where possible</i>):		
Annex 8A.4 of the CUSC would require amendment to give effect to the change proposed. The draft text to give effect to this proposal is contained in Annex 1.		
Impact on Core Industry Documentation (<i>this should be given where possible</i>):		
None.		
Impact on Computer Systems and Processes used by CUSC Parties (<i>this should be given where possible</i>):		
None.		
Details of any Related Modifications to Other Industry Codes (<i>where known</i>):		
None.		
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (<i>mandatory by proposer</i>):		
<p>The terms of the Transmission Licence require National Grid to establish and operate procedures for the modification of the CUSC, including the modification procedures themselves, so as to better facilitate achievement of the Applicable CUSC Objectives.</p> <p>Amendment to Annex 8A.4 to extend election arrangements currently applying in the event of Resigning Panel Members also to Resigning Alternate Members would improve efficiency in the amendment procedures. It would ensure that National Grid could more efficiently discharge its obligations in the amendment process by reducing the likelihood of inquorate CUSC Amendments Panel Meetings as well as improving the choice of Alternate Members available to Panel Members in the event that they were unable to attend Panel meetings.</p>		
Details of Proposer:		National Grid Company plc
Organisation's Name		

Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid Company plc 024 76423198 andy.balkwill@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Groves National Grid Company plc 024 76423053 emma.groves@uk.ngrid.com
Attachments (Yes/No): Yes If Yes, Title and No. of pages of each Attachment: Attachment 1 – Draft Text to give effect to proposal. One page.	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry, CV4 8JY
Or via e-mail to: CUSC.Team@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

Annex 4 – Internal Working Group Procedure

The Working Group adopted the existing internal procedures for the Governance Standing Group.