

**Minutes and Actions Arising from Meeting
Held on 8 January 2009**

Present:

Emma Carr	EC	Chairperson
Bali Virk	BV	Secretary
Carole Hook	CH	National Grid
Robert Longden	RL	Airtricity
Tony Dicicco	TD	RWE
Garth Graham	GG	SSE
Merel Van der Neut Kofscholten	MK	Centrica
Barbara Vest	BV	AEP
Peter Bolitho	PB	E.ON
Dipen Gadhia	DG	Authority
Dorcias Batstone	CS	Elaxon

1 Introductions/Apologies for Absence

1. Apologies were received from David Jones.

2 Purpose and a review of the Terms of Reference

2. EC welcomed the group to the GSG meeting. EC explained to the group that GSG has been re-established following a number of governance issues raised at the CUSC Panel, in particular the implementation of CAP160 and the Transmission Access Modifications. In addition, the issues raised by Ofgem Industry Code Governance Review (ICGR).
3. The Terms of Reference were circulated to the group members prior to the meeting. EC explained that the terms of reference were agreed by the CUSC Panel. The GSG in turn supported the Terms of Reference and the scope of work to be covered under the group. The Group requested that the recent Ofgem ICGR consultation documents on Major Policy Reviews and the Role of Code Administrators should be added to the Terms of Reference. EC agreed to request an amendment at the January Panel meeting.

Action: EC

3 CUSC Panel Response to the Environmental and Code Objectives Consultation

5. EC discussed with the group the draft letter response to the Industry Code Governance Review – Environment and Code Objectives. EC informed the Group that the letter had been drafted with advice and guidance from National Grid's legal team on behalf of the CUSC Panel.
6. GG discussed his two concerns with regards to schedule 9 of the Electricity Act 1989. First, schedule 9 appears to be just related to planning and, in the case of transmission, appears only applicable to TOs rather than the GBSO. Second, parts of schedule 9 only apply to England and Wales whilst other parts only apply to Scotland. However, as CUSC is applicable across GB then if we were to apply schedule 9 then we need to ensure that in addition to considering flora and fauna across GB we also take account of the impact on fisheries and the stock of fish in Scotland.

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7. DG asked the group to consider if this should become part of the licence and not as guidance. The group debated the issue and EC highlighted that a licence condition is less flexible to the changing environmental considerations than guidance. The group agreed that a licence condition was not necessary.
8. GG and MK had some additional changes and agreed to send their comments via email. EC to update the final response.

Action: GG/MK/EC

9. The group were happy for EC to send response on behalf of the Panel once the above changes have been made.

Action: EC

4 Review process for determining implementation dates

10. CH gave the group a presentation detailing the current process within the CUSC for determining implementation dates.
11. It was agreed that the slides outlining the CUSC provisions were useful and such information should be included in the report template to provide guidance. This action will be carried forward when the group undertakes the review of the new governance process (CAP160).

Action: BVirk

12. A draft copy of the letter in response to the consultation on “the timing out” of Authority decisions on modifications had been prepared as a response from the CUSC Panel, and was circulated to the group for information.
13. The group discussed the time taken for Authority decisions to be reached. DG confirmed that within the Authority's corporate plan, it details how many decisions Ofgem have made and how long this has taken. DG confirmed that from April 2008 to January 2009 90% decisions were made within 25 days. DG agreed to forward to the group the corporate plan.

Action: DG

14. Further analysis on the applicability and relevance of analysis will be considered at a future GSG in line with the Terms of Reference.
15. The group considered if it would be possible for more than 1 implementation date to be proposed, noting that within the BSC several dates for implementation are proposed based on system release requirements. Under the CUSC, system release is not used to set implementation dates, but this may be required in the future as part of BM Replacement and in line with the associated cost benefits.
16. The group debated the Transmission Access modifications CAP161-CAP166 currently having an implementation date of April 2010 and that if a decision is not made in time, they would be timed out. However, the group agreed that if this did occur the value in the analysis will have diminished and further analysis would be required.
17. The group considered if we have adequate information/analysis to determine implementation dates. It was agreed that this is dependent on respondents' views which facilitate a complete understanding of the impact on all parties. It was agreed that it would be useful to add additional questions as standard to the consultation relating directly to the impact of implementation. This should be captured as part of the CAP160 review.

Action: BVirk

18. The group agreed that the current provisions which only allow National Grid to suggest an implementation date for industry parties should be updated via a CUSC

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Amendment. The proposal should allow, in the event that a WG has been convened, the CUSC Working Group to develop and propose an implementation date in addition to the current provisions.

19. CH to draft CUSC Amendment Proposal to reflect this.

Action: CH

5 Transition Process

19. CH highlighted that within the CUSC currently there is no specific process detailed for transitional arrangements.
20. CUSC section 10 is currently not used having been introduced for transitional arrangement for BETTA, this section was removed on 15 February 2007.
21. CH gave a recent example of when a transition process was applied with CAP160. Whereby amendments already under company consultation were to proceed under the old amendment process, whilst those not yet at company consultation proceeded via the new amendment process.
22. The group agreed that in the review of report templates it would be useful to include guidance to ensure transitional arrangements have been fully considered but a change to the CUSC was not necessary. This should be captured for the CAP160 review.

Action: BVirk

6 Update on Code Administrators Working Group and GSG Support Role

23. EC gave a presentation updating the group on the Code Administrators Working Group work to date.
24. EC explained that the purpose of the group is to identify and progress opportunities for making the codes more accessible, usable and transparent. Also to encourage best practice throughout the codes.
25. The group considered the proposals being considered in the CAWG, including the formation of Issues Groups, as already exists in the BSC. The group agreed that CUSC Standing Group could be used in a similar manner, leading to more informed and thought-through modifications being raised.
26. PB/DB/CH agreed to have understanding of the current practices in the BSC and UNC and identify best practice. Findings will be presented to the group in March, with a view to make recommendations to the CUSC Panel regarding the role of Standing Groups and the consideration of issues.

Action: PB/DB/CH

27. GG requested if CUSC Secretary could look to improve transparency for CUSC Panel deliberation in voting, detailing evidence of why a panel member has voted a certain way. This would help external parties understand the outcome of the vote. It was agreed that this would be raised with the Panel and undertaken when the Panel next has a Amendments Panel Recommendation Vote.

Action: BVirk

7 Next Meeting

28. The next GSG meeting will be held at 10.00am on 6th February at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.
29. This meeting will consider the two ICGR documents (Role of Code Administrators and

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Small Parties, and Major Policy Review and Self-Governance), time dependant commence the review of CAP160 processes.