

Minutes

Meeting name	CUSC Governance Standing Group (GSG)
Date of meeting	29 September 2011
Location	National Grid House, Warwick & Via Teleconference

Attendees

Name	Initials	Position
Garth Graham	GG	Chair
Bali Virk	BV	Technical Secretary
Alex Thomason	AT	National Grid Electricity Transmission
Emma Clark	EC	National Grid Electricity Transmission
Barbara Vest	BVe	Association of Electricity Producers – via teleconference
Steven Eyre	SE	EDF Energy
Robert Longden	RL	Mainstream Renewable Power
Esther Sutton	ES	E.ON
Abid Sheikh	AS	Ofgem - via teleconference (part meeting)
Lisa Charlesworth	LC	Observer, Ofgem – via teleconference
Joyce Chinyanganya	JC	Observer, National Grid Electricity Transmission

Apologies

Name	Initials	Position
Steve Lam	SL	National Grid Electricity Transmission
Stuart Cotten	SC	Drax Power
Merel Van der Neut	MK	Centrica
Kolfschoten		
Kathryn Coffin	KC	ELEXON

All presentations and supporting papers given at the GSG meeting can be found at: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/gsg/>

1 Introductions/Apologies for Absence

607. Apologies were received from SL, SC, MK and KC.
608. AT introduced JC to the GSG members as a graduate trainee and would be sitting in the GSG meeting as an observer.

2 Approval of Minutes from the last meeting

609. The draft GSG minutes from the meeting held on 5th May 2011 were approved subject to minor changes received from GG.

Action: GSG minutes to be published on the National Grid website.

3 Review of Actions

- 610. **Minute 604:** BV to update the Frequently Asked Questions (FAQ) and publish an enquiry form on the National Grid website. **Action complete.**
- 611. BV confirmed that the FAQs have been updated as outlined in her presentation. BV also confirmed that a contacts page has been published on the National Grid website detailing a list of contacts for code queries.
- 612. BV brought to the attention of GSG members that a UK Transmission Customers contact form is now available on the National Grid website and customers can also submit an enquiry online.
- 613. All other outstanding actions were completed.

4 Revised GSG Terms of Reference

- 614. GG informed GSG members that the CUSC Modifications Panel has asked the GSG to consider payment for CUSC Panel Members and Workgroup members to claim travel expenses. As a result of the request the GSG Terms of Reference have been updated to reflect this within their scope of work.

5 Consider Payment of travel expenses for CUSC Panel Members and Workgroup/Standing Group Members

- 615. BV gave a presentation to GSG members detailing some background and areas for discussion for CUSC Panel Members and Workgroup Members to claim travel expenses.
- 616. BV highlighted that at the CUSC Panel meeting on the 22nd March 2002, the issue of paying travel expenses for independent Panel Members was discussed, in particular in relation to self employed members. At this meeting it was agreed that it should be limited to neutral parties only in the CUSC process i.e. Panel Members or Chairs of Workgroups.
- 617. BV explained that BSC Panel members/Workgroup/Standing Issues members and Alternates are able to claim travel expenses incurred for attending BSC meetings and that BSC Workgroup members act independently and attend meetings as industry experts and not as representatives of the Company they are employed by. BV stated that all BSC Workgroup members sign a letter of Agreement from the Company they are employed by stating the BSC shall prevail over his/her duties as an employee therefore as member of the Workgroup Modification Group they shall act impartially in the meetings. BV also confirmed that under the gas Uniform Network Code (UNC) there is no mechanism for members to claim travel expenses.
- 618. In BV's presentation she highlighted that the current CUSC provisions 8.3.4 (i) states the CUSC Panel Members shall act impartially and the Chairman of the Workgroup shall also be impartial. BV highlighted that currently the CUSC is silent in terms of Workgroup/Standing Group members being impartial.
- 619. AS highlighted that section B of the BSC was more explicit for BSC members to claim travel expenses, and that the current CUSC provision 8.12 was not as explicit.
- 620. GSG members debated CUSC provision 8.12.1 which details that indemnity would be given to CUSC Panel members if someone brought a claim against them and that

they would financially be protected by CUSC signatories regarding such claims for, legal costs, expenses and damages or any other liabilities. CUSC provision 8.12.2 states that 8.12.1 of the CUSC does not extend to costs and expenses incurred in the ordinary conduct of being a Panel Member or Workgroup/Standing Group Member.

621. GSG members debated if there was a benefit of paying travel expenses to representatives attending meetings, and also if it would encourage smaller parties to attend more CUSC Workgroup meetings. It was concluded that there may also be a resource constraint issue for smaller parties attending CUSC Workgroup meetings and therefore payment of travel expenses may not lead to greater attendance. RL stated that if smaller parties were unable to travel to meetings that teleconference facilities should be made available. AT confirmed that all CUSC meetings have teleconference facilities available.
622. GSG members debated whether GSG members would attend more Workgroup meetings if there was a mechanism for claiming reasonable travel expenses under the CUSC and it was agreed that this would not affect their attendance.
623. The question of who funds the payment of the travel expenses claimed was discussed and AT confirmed that the Code Administrator did not have funds assigned for this and the Code Administrator costs are recovered through National Grid's electricity Transmission Price Control.
624. It was agreed that a GSG consultation document would be produced based on these discussions at the GSG and asking industry members for their views. It was suggested that the Code Administrator should target, in particular, the smaller parties and trade associations to ensure the widest possible views. It was agreed that the Consultation document would be presented at the November Cross Codes Forum.

Action: Code Administrator to produce a Consultation document for discussion at the October GSG meeting with a view to going to industry consultation in November

6 Review Commercial Balancing Services Group Governance (CBSG)

625. EC gave an overview of the CBSG and explained that the CBSG covers the commercial arrangements for non-mandatory balancing services which sit outside of the CUSC and therefore CBSG governance sits outside of the CUSC.
626. EC informed GSG members that the CBSG Terms of Reference have been reviewed and have been more aligned with Balancing Services Standing Group Terms of reference to make them more robust.
627. RL questioned how industry members could find out what scope work the CBSG was covering. EC explained that presentations and minutes are published on the National Grid website. EC also confirmed that she would send a reminder to the industry informing them about the CBSG and also publish a reminder in the Transmission Operational Forum Update which is published to accompany the Electricity Operational Forum.
628. GSG members agreed its Terms of Reference on this item was completed.

Action: Email industry with CBSG details and publish a reminder in the Transmission Operational Forum Update

629. GG circulated a link to the Ofgem's Guidance on Impact Assessments which was published on 15th December 2009 which details post implementation review. The guidance document states that each Impact Assessment will set how Ofgem will check industry compliance and how it will assess the success of the policy once it has been implemented.
630. AS stated that it would be up to the CUSC Panel to monitor the changes. GG; noting the recommendations in the House of Lords Select Committee report in 2007; suggested a target should be set, for significant code changes, at the time of the change being progressed through the CUSC process and for this to be covered within the Workgroup Terms of Reference i.e.: what measurable impact would you expect from CMPXXX in X year(s). RL asked whose responsibility would this be, GG suggested the CUSC Panel would ask the Code Administrator, for example, to report if the benefits / costs / impacts etc., expected when the Modification was proceeding through assessment etc., had been met / exceeded after an agreed period of time (say three years) depending on the nature of the change proposed.
631. AT expressed her concerns regarding the potential for the Code Administrator to have access to confidential data in order to complete a post-implementation review. The GSG discussed whether only significant code review (SCR) changes would merit a post-implementation review.
632. AT suggested that this may best be dealt with as a cross-code issue. AS agreed this was a cross code issue and that this would need to be picked at a future Code Administrator Code of Practice review meeting.

Action: AS to take forward as an agenda item for the CACOP review meeting

633. GSG members reviewed the current work list within the GSG Terms of Reference. It was agreed that there were areas of work outstanding, detailed below:
- Review of current practices to ensure good industry practice, linked with supporting Ofgem's development of Code of Practice in the Code Administrators Working Group. **Status: review after CACOP meeting**
 - Review the process of CUSC and charging methodology interaction in light of the Transmission Access amendments. **Status: Autumn 2012 after Project TransmiT finishes.**
 - Consider payment for CUSC Panel Members and Workgroup Members to claim travel expenses. **Status: ongoing**

634. It was agreed to cancel the November GSG meeting date and to review at the October GSG meeting if the GSG meeting to be held on 15th December to discuss the responses to the GSG Panel travel expenses consultation should take place or be held in January 2012.
635. AT informed GSG members that the National Grid Customer Survey has been launched and that GSG members will be contacted with specific questions in relation

to the Code Administrator. AT asked the GSG members if they can please respond to the survey.

636. AT informed GSG members that as part of the European package the draft Statutory Instrument (SI) The Electricity and Gas (Internal Markets) Regulations 2011 will introduce changes to the three codes BSC, Grid Code and CUSC with a third objective being introduced for the CUSC which will give the Authority the right to raise European modifications.
637. AT explained that there were two separate things being introduced by the SI: the first being the new CUSC Objective; the second is the Authority's right to raise code modifications only where necessary to implement the European Regulation.
638. SE asked AT for an update of the recruitment process for the Independent Panel Chair. AT confirmed the head hunters had selected candidates which were reviewed by the Panel Subcommittee who agreed for four candidates to progress to the interview stage which are taking place w/c 3 October 2011.
639. AT informed GSG members that as the process is taking longer than anticipated the Chairman will not be in for 1st October and discussions are currently taking place with Ofgem to waive the CUSC obligation of having an Independent Chair in place for the 1st October 2011.

10 Next Meeting

640. Frequency of the GSG meetings was discussed and it was suggested as most of the items in the GSG Terms of Reference have been concluded, there was a possibility that the 2012 GSG meetings could be held quarterly from January 2012

Action: GSG members to agree quarterly 2012 meeting dates

641. The next GSG meeting will be held by **teleconference in November** (date to be agreed). At this meeting the following will be discussed:
- Review of outstanding actions from 29 September 2011
 - Discuss the Panel/Workgroup expenses draft consultation document
642. GSG members agreed to cancel that 24 November 2011 GSG meeting. The GSG will meet in December/January 2012 to discuss the GSG consultation responses received from the CUSC Panel and Workgroup/Standing Group expenses consultation.