



National Grid

AMENDMENT REPORT

CUSC Proposed Amendment CAP042 Extension of timescale for preparation of Amendment Reports

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP042

Amendment Ref	CAP042
Issue	1.0
Date of Issue	6 November 2002
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1	28/10/02	National Grid	Draft for internal comment
0.2	29/10/02	National Grid	Draft for Industry comment
1.0	6/11/02	National Grid	Formal Version for submission to the Authority

b Document Location

Nation Grid Website:

<http://www.nationalgrid.com/uk/indinfo/cusc>

c 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 RECOMMENDATION

- 1.1 CAP042 proposes to extend the timescale for preparation of Amendment Reports from 14 days to 28 days.
- 1.2 Amendment Proposal CAP042 was proposed by National Grid and submitted for consideration to the CUSC Amendments Panel Meeting on 20th September 2002. At the meeting, the Panel determined that National Grid should initiate a period of wider industry consultation on the issues raised by CAP042.
- 1.3 The Consultation Paper for CAP042 was published by National Grid on the CUSC website and copies sent to Core Industry Document Owners and CUSC Parties. Responses were invited to be made by 23rd October 2002.
- 1.4 National Grid received a total of 6 responses to the consultation for CAP042. Of the total number of responses, 4 supported the principle of the Proposed Amendment and 2 of these responses also proposed Alternative Amendments to change the drafting of the Proposed Amendment. 1 respondent did not support the Proposed Amendment. The response from Elexon as owner of the BSC made no comment in relation to impact on the BSC documentation.

National Grid Recommendation

- 1.5 National Grid recommends that CAP042 Alternative Amendment (B) be approved for implementation.
- 1.6 It is recommended that the CUSC be modified in line with Alternative Amendment (B) 10 days after the Authority's decision.

2.0 PURPOSE AND SCOPE OF THE REPORT

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses issues relating to extension of the timescale allowed for preparation of Amendment Reports in Paragraph 8.16.4 of the CUSC.
- 2.2 Further to the submission of Amendment Proposal CAP042 (see Annex 1) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP042.
- 2.3 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 to this document.
- 2.4 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/indinfo/cusc>

3.0 THE PROPOSED AMENDMENT

- 3.1 Since implementation of the CUSC in September 2001 it has become clear that the 14 day timescale for preparation of Amendment Reports for submission to the Authority is often insufficient to carry out the requirements of Paragraph 8.20.2 of the CUSC. Paragraph 8.20.2 sets out the matters to be contained in an Amendment Report and includes the requirement on National Grid to undertake analysis of the impact of the Proposed Amendment and of any Alternative Amendments, which may be formulated by a Working Group or by respondents during the industry consultation phase. The current difficulties provided by the 14 day timescale is compounded by the requirement to circulate Amendment Reports in draft format for 5 Business Days of the 14 day timescale.
- 3.2 For the avoidance of doubt the requirements of Paragraph 8.20.3 to circulate Amendment Reports in draft to CUSC Parties for comment for a period of 5 Business Days, will still apply. It should also be noted that if Proposed Amendment CAP042 were approved for implementation it would not be necessary in the case of every CUSC Amendment Proposal to use the full 28 day timescale. The extent of the use of the timescale will be dependent on the complexity of issues raised by an Amendment Proposal including any Alternative Amendments, and will be affected by the number of Alternative Amendments raised during consultation and the timing of their submission in relation to the consultation closing date.

4.0 IMPLEMENTATION AND TIMESCALES

- 4.1 CAP042 does not have a material impact outside the scope of the CUSC. It is proposed that implementation takes place with effect from 10 days after the Authority's decision.

5.0 IMPACT ON THE CUSC

- 5.1 The Proposed Amendment would require amendment of part (e) of Paragraph 8.16.4 of the CUSC. There is no impact on any other part of the CUSC.
- 5.2 The text required to give effect to the Proposed Amendment is contained as Annex 2 of this document.

6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 6.1 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. CAP042 proposes to extend the timescale for National Grid to prepare Amendment Reports from the current 14 days to 28 days. Such an extension would give a more realistic time for National Grid to prepare accurate Amendment Reports with regard to Paragraph 8.20.2, especially where the Proposed Amendment or Alternative Amendment(s) raise a number of complex issues. CAP042 will enable National Grid to more efficiently discharge its obligations under Paragraph 1 (a) of Condition C7F of the Transmission Licence.

7.0 IMPACT ON CUSC PARTIES

- 7.1 No impact has been identified on CUSC Parties from the Proposed Amendment or any of the Alternative Amendments detailed in this document.

8.0 IMPACT ON CORE INDUSTRY DOCUMENTS

- 8.1 Neither the Proposed Amendment nor any of the Alternative Amendments will have an impact on Core Industry Documents or other industry documentation.

9.0 ALTERNATIVE AMENDMENTS

Alternative Amendment (A) – (Proposed by Scottish Power)

- 9.1 Alternative Amendment (A) was proposed as a response to the industry consultation for CAP042. The Proposer seeks to amend the text to the Proposed Amendment such that in circumstances where National Grid were able to prepare Amendment Reports in a shorter period than 28 days, they should do so. To this end the Proposer of Alternative Amendment (A) proposes to insert the words “if so required” after the words “another 28 days”. The text presented by the Proposer to give effect to Alternative Amendment (A) is detailed in Part B of Annex 2.

Assessment Against Applicable CUSC Objectives

- 9.2 The Proposer of Alternative Amendment (A) believes that the proposed change in wording does not change the intent of the Proposed Amendment, but provides the clarity that if National Grid were able to prepare an Amendment Report in a shorter period than 28 days, they should do so.

Alternative Amendment (B) – (Proposed by British Energy plc)

- 9.3 Alternative Amendment (B) was proposed as a response to the industry consultation for CAP042. The Proposer believes that the legal drafting to give effect to the Proposed Amendment does not provide the best solution. Alternative Amendment (B) replicates the intent of the Proposed Amendment and also provides additional flexibility such that the extended timescale may not be applied in all cases and makes clear that the 28 days is a maximum timescale.

Assessment against Applicable CUSC Objectives

- 9.4 The Proposer of Alternative Amendment (B) believes that the proposed change in wording clarifies that 28 days is a maximum timescale and hence better facilitates achievement of the Applicable CUSC Objectives in relation to the efficient discharge of the licensee’s obligations.

10.0 VIEWS AND REPRESENTATIONS

- 10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment.

Summary of Views of Panel Members

- 10.2 No formal responses to the CAP042 Consultation have been received from Amendments Panel members. However, during discussions of CAP042 at the September and October Panel meetings, Panel members were sympathetic with the tight timescales for preparation of Amendment Reports, but were concerned over the lengthening of overall timescales. Panel members also supported a review of overall timescales for consultation and Amendment Report arrangements within CUSC.

View of Industry Document Owners

- 10.3 No responses to the CAP042 Consultation have been received from Core Industry Document Owners.
- 10.4 Response to the CAP042 Consultation was received from Elexon Limited, as owner of the BSC, confirming CAP042 does not impact on BSC documentation.

Responses to Consultation

- 10.5 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP042-CR-01	Scottish Power Generation Limited & ScottishPower Energy Retail Limited	No	Support principle of Proposed Amendment and propose further modification to the text as an Alternative Amendment to clarify that the full 28 day timescale may only be used "if required"
CAP042-CR-02	Elexon Ltd	N/A	Statement from Elexon as owner of the BSC does not indicate support or opposition
CAP042-CR-03	British Gas Trading Limited	No	Believe that in some circumstances the timescale for Amendment Reports is tight; also believe conversely that timescale for consultation is greater than needed. Support principle of a review of overall timescales for Amendment process
CAP042-CR-04	British Energy plc	No	Support principle of Proposed Amendment and propose an Alternative Amendment as an improvement to the legal text to clarify that the timescale shall be "no longer than" 28 days. Support a wider review of Amendment Procedures
CAP042-CR-05	London Electricity Group plc	Yes	Support Proposed Amendment. Believe that it will improve efficiency and allow production of accurate reports

Reference	Company	Supportive	Comments
CAP042-CR-06	Powergen UK plc	Yes	Support Proposed Amendment. Believe that the legal text should be explicit that Amendment Reports may be circulated in a shorter timescale and that 28 days is the maximum timescale allowed

- 10.6 National Grid received a total of 6 responses to the industry consultation on CUSC Amendment Proposal CAP042. A majority of the responses supported the principle behind the Proposed Amendment and noted that it would assist National Grid in the administration of the CUSC. Two respondents proposed Alternative Amendments, which are discussed in Section 9 of this report.
- 10.7 Whilst supporting the principle of the Proposed Amendment, a number of respondents were concerned that the legal text to give effect to the Proposed Amendment should provide for National Grid being able to prepare an Amendment Report in a shorter period than 28 days. Two respondents (CAP042-CR-01 and CAP042-CR-04) proposed Alternative Amendments with revised text to alleviate these concerns.
- 10.8 One respondent (CAP042-CR-03) did not support the Proposed Amendment and felt that an extension from a maximum of 14 to 28 days would add unnecessary time to the timetable for progressing Amendment Proposals that is already lengthy. The same respondent noted that to date National Grid have not failed to meet any of the required timetables. A further respondent (CAP042-CR-04) was also concerned that CAP042 would extend overall timescales.
- 10.9 Regarding concerns over lengthening timescales, National Grid notes that as stated in Paragraph 3.3 of the CAP042 Consultation document, it may not be necessary in all cases to use the full 28 day timescale and National Grid will continue to endeavour to issue Amendment Reports in a timely manner dependent on the complexity of the issue raised by the Proposed Amendment and any Alternative Amendments. National Grid further notes that best endeavours are always used to meet the required timescales (or seek a formal extension) and although there has not been a failure to meet timescales, the question remains as to how complete an Amendment Report is given the limited time allowed.
- 10.10 Two respondents (CAP042-CR-03 & CAP042-CR-04) would support a review of the overall timescales for the Amendment processes. One respondent further suggested that the standard timescales be revisited to reduce the period for consultation by 5 Business Days and extend the period for preparation of Amendment Reports by 5 Business Days, although this was not put forward as an Alternative Amendment to CAP042. National Grid notes the suggestions for a review of Amendment process and timescales and would be willing to participate in such a review.

11.0 NATIONAL GRID RECOMMENDATION

- 11.1 National Grid recommends that Amendment Proposal Alternative Amendment (B) be approved for implementation as it gives further clarification that 28 days is the maximum timescale for the preparation of Amendment Reports. National Grid reiterates that Amendment Reports will be produced in a timely manner within the 28 days to ensure accuracy, the representation of respondents views and analysis of any Alternative Amendments. National Grid also notes that all documentation relating to the Amendment process will continue to be produced as soon as possible and to meet the required timescales required by CUSC.

12.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 12.1 National Grid received one response containing comments on the draft Amendment Report. A copy is contained at Annex 4 to this report.
- 12.2 The respondent (CAP042-AR-01) who had originally put forward Alternative Amendment (A) during the industry consultation, agreed that Alternative Amendment (B) better meets the Applicable CUSC Objectives to enable National Grid to more efficiently discharge obligations under its Licence.

ANNEX 1 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP042
Title of Amendment Proposal:	
Extension of timescale for preparation of Amendment Reports	
Description of the Proposed Amendment <i>(mandatory by proposer):</i>	
This amendment proposes that the timescale specified in Paragraph 8.16.4 of the CUSC for preparation of Amendment Reports be increased from 14 days to 28 days.	
Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i>	
Currently the CUSC allows National Grid 14 days for preparation of Amendment Reports, which includes 5 business days for circulation in draft format for comment. Paragraph 8.20.2 of the CUSC sets out the matters required to be contained in an Amendment Report, and includes the obligation on National Grid to undertake analysis of the impact of the Proposed Amendment together with an analysis of any Alternative Amendment(s) which may be proposed by a Working Group (if one is established) or by respondents during the consultation. This timescale is proving restrictive as it effectively leaves only 5 business days for the preparation of Amendment Reports. For the avoidance of doubt the requirements of Paragraph 8.20.3 will still apply. It is also noted that although Paragraph 8.16.4 allows extension of the 14 days with the approval of the Authority, the timescales allowed may not give sufficient time for such approval to be sought or given.	
Impact on the CUSC <i>(this should be given where possible):</i>	
Paragraph 8.16.4 (e) 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>	
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. Amendment of the Paragraph 8.16.4 to increase the timescales for production of Amendment Reports from 14 days to 28 days would improve efficiency in the amendment procedures. It would allow an appropriate timescale for National Grid to more efficiently discharge its obligations in the amendment process as well as management of workload when several consultations conclude at the same time. Specifically it increases the time allowed for National Grid to assess any Alternative Amendment(s) raised by respondents during consultation, to assess and adequately respond to responses received during consultation, and also to respond to comments received on circulation of the draft Amendment Report and contact specific respondents to discuss and resolve queries where possible.	

Details of Proposer: Organisation's Name	The National Grid Company plc
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 The National Grid Company plc 024 76423198 andy.balkwill@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Groves The 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:

- 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.
- 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.

Attachment 1 to Amendment Proposal Form

Draft Text to give effect to the Amendment Proposal

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and another ~~2814~~ days for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues.

ANNEX 2 – PROPOSED TEXT TO MODIFY CUSC

Part A – Text to give effect to the Proposed Amendment (Proposed by National Grid)

Change Marked Version

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and another ~~28~~44 days for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues.

Clean Version

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and another 28 days for preparation of the Amendment Report, unless in any case the particular circumstances of the Amendment Proposal (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the Authority does not object, taking into account all those issues.

Part B – Text to give effect to Alternative Amendment (A)
(Proposed by Scottish Power)**Change Marked Version**

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and another **2814** days **if so required** for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues.

Clean Version

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and another 28 days if so required for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues

Part C – Text to give effect to Alternative Amendment (B)
(Proposed by British Energy)**Change Marked Version**

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and ~~another~~ no longer than 2814 days for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues.

Clean Version

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and no longer than 28 days for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues

ANNEX 3 – COPIES OF REPRESENTATIONS RECEIVED TO INDUSTRY CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 30th September 2002 requesting comments by close of business on 23rd October 2002).

Representations were received from the following parties:

No.	Company	File Number
1	Scottish Power Generation Limited & ScottishPower Energy Retail Limited	CAP042-CR-01
2	Elexon Limited	CAP042-CR-02
3	British Gas Trading Limited	CAP042-CR-03
4	British Energy plc	CAP042-CR-04
5	London Electricity Group plc	CAP042-CR-05
6	Powergen UK plc	CAP042-CR-06

Reference	CAP042-CR-01
Company	Scottish Power Generation Limited & ScottishPower Energy Retail Limited

CUSC Amendment Consultation

To: Emma Groves
Commercial
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry CV4 8JY

16th October 2002

CAP042: Extension of timescale for preparation of Amendment Reports

Dear Emma,

Many thanks for the opportunity to consider the consultation document in respect of CUSC Amendment Proposal CAP042. This response is provided on behalf of Scottish Power Generation Limited and ScottishPower Energy Retail Limited.

CAP042 appears to be a relatively straightforward change and would be beneficial both to NGC and to CUSC Parties. NGC would have more time to prepare the Reports and clarify any comments raised in consultation by respondents. CUSC Parties would benefit from having those clarifications resolved and reflected in the draft version of the Amendment Report and ensure that legal drafting issues in particular are dealt with satisfactorily. It may also provide an opportunity for Amendment Panel members to comment on consultation responses. We note that there may be a risk of more Urgent Amendments being raised as a consequence of this Amendment Proposal but regard the benefit of CAP042 to outweigh that risk.

We agree that CAP042 meets the Applicable CUSC Objective enabling NGC to more efficiently discharge its obligations under its Licence.

Our only comment on the legal drafting is in response to concerns at the CUSC Panel that if NGC were able to prepare an Amendment Report in a shorter period than 28 days, they should do so. Therefore, we would suggest inserting the words “if so required” in Para 8.16.4 (e) after the words “another 28 days...”.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh
Commercial Analyst (0141 568 3113)

Reference	CAP042-CR-02
Company	Exxon Limited

Our ref. Comments on CAP042
Your ref. CAP042



21 October 2002

Emma Groves
Commercial
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry CV4 8JY

(By email to: emma.groves@uk.ngrid.com)

Dear Emma,
Comments on Consultation Paper CAP042 'Extension of Timescale for Preparation of Amendment Reports'

ELEXON acting as the Balancing and Settlement Code Company has reviewed the Consultation Paper CAP042. Amendment Proposal 42 (CAP042) seeks to extend the time allocated for the preparation of Amendment Reports from 14 to 28 days.

ELEXON has no comments to make regarding CAP042. However, it should be noted that under the BSC, no specific time is allocated for the production of reports produced during the various stages of the Modification Procedure life cycle. Instead, the stages themselves have specified timescales – Definition Procedure (2 months maximum), Assessment Procedure (3 months maximum) and Report Phase (a maximum of 30 Business Days). However, the BSC Panel may extend the time allocated to carry out either the Assessment or Definition Procedure, if the Modification Proposal is judged to warrant such an extension (taking into account urgency, complexity and importance of the issue). The extension is also subject to not receiving a contrary direction from the Authority.

Yours sincerely

Roger Salomone

ELEXON Change Delivery

Reference	CAP042-CR-03
Company	British Gas Trading Limited



energy management group

**Charter Court
50 Windsor Road
Slough
Berkshire
SL1 2HA**

Tel. (01753) 758051
Fax (01753) 758368

Our Ref. G:cusc/42
Your Ref.
06 November 2002

National Grid company plc
National grid House
Kirby Corner Road
Coventry
CV4 8JY

For the Attention of Ms E Groves -
Commercial

Dear Emma,

Re: CAP042 – Extension of timescale for preparation of Amendment Reports

Thank you for the opportunity to comment on the above referenced Amendment Proposal (AP). British Gas Trading and the other Centrica Group CUSC signatories do not support this proposal. We do not believe that this AP would improve the efficiency or effectiveness of the CUSC. In our opinion, the timetable for progressing an AP is already too long. As such any automatic extension to the timeframes cannot be supported. We would also note that to date we are not aware that NGC have failed to meet any of the required timetables.

However, we recognise that in some circumstances, ie. when Alternative APs may be proposed during the Consultation phase, the time allowed for drafting the Final Report may be tight. Conversely, we believe that in most situations the time allowed for developing the initial Consultation document and for parties to respond is greater than that needed. We therefore support the principle of a review of the overall timescales for the Amendment process. We therefore recommend the following:

- a) NGC use their discretion to publish and produce documentation as soon as possible rather than the latest date allowed.
- b) That the Panel considers the appropriate timescales needed for each AP when agreeing its way forward, ie. development, consultation etc.
- c) That the standard timescales be revisited. To address some of NGC's current concerns we suggest as an alternative that the standard period for consultation be reduced by 5 Business Days and the total period for preparation and submission of the Final report to Ofgem be extended by 5 Business Days (maintaining the current overall periods).

We trust that you find our comments useful. Should you wish to discuss any element further please do not hesitate to contact me.

Yours sincerely,

Simon Goldring
Transportation Manager

Reference	CAP042-CR-04
Company	British Energy plc



23rd October 2002

Emma Groves
Commercial Development
The National Grid Company plc
Kirby Corner Road
COVENTRY
CV4 8JY
Dear Emma,

CUSC Consultation Document CAP042:
Extension of timescale for preparation of Amendment Reports

Thank you for the opportunity to review the above CUSC Amendment Proposal (CAP).

We would advise that whilst we both sympathise and support the principle of the solution provided by NGC in the CAP, we do not believe that the text provided represents the optimum solution and therefore do not support the CAP as presented.

Notwithstanding our further process comments below, attached as Annex 1 is a proposed Alternative Amendment, which replicates the intent of the CAP042 solution proposed by NGC. This Alternative will provide additional flexibility in the timescales allowed for the preparation of the Amendment Report such that an actual extension of the timescale from 14 days to 28 days may not necessarily be applied and indeed the timescale could reduce to less than the currently prescribed 14 days too. We believe that our proposed subtle change to the wording better facilitates achievement of the Applicable CUSC Objectives of both the existing CUSC and the original CUSC Amendment Proposal in relation to the efficient discharge of the licensee's obligations.

In conjunction with this CAP response, we would also draw your attention to the wider amendment processes. In the final section of our note relating to "One Year of CUSC" originally tabled at the August CUSC Amendment Panel meeting we raised the question whether a review "to look at the workings of the Panel, the processes, interfaces etc" was under consideration. The nature of this CAP is a timely reinforcement that such a review is necessary to ensure that the CUSC amendment processes are working efficiently. We understand that, as a consequence of this CAP, the Amendment Panel have requested NGC provide a breakdown of the processes and timescales of all amendments processed to date compared with the timescales permitted in the CUSC. This is to be welcomed as a starting point. However until a

fuller review has been undertaken, and conclusions reached and considered, there is a danger that CAPs such as this one actually treat the ‘effect’ rather than the ‘cause’.

We note NGC’s statement in section 3.2 of the Consultation Document that the 14 day timescale for the production of Amendments Reports to the Authority is ‘frequently insufficient’ to discharge their obligations but endorse NGC’s comment that the integral 5 Business Days for industry review ‘will still apply’ (3.3).

We also share the view that extending ‘already lengthy timescales for consideration of Amendment Proposals’ is of concern. In relation to the overall CUSC Amendment Procedures we are minded not to support any proposal which extends these process timescales. We therefore believe that in addition to the NGC review for the Panel of the constituent process timescales of CAPs to date, that the Panel should consider instigating a wider review of the Amendment Procedures and provide appropriate recommendations for efficiency improvements for consideration by CUSC Parties.

If you have any queries associated with this response, please do not hesitate to contact me to discuss further

Yours faithfully,

Steve Phillips

Senior Trading Consultant
Market Development
Power & Energy Trading

Annex 1: Alternative Amendment

Proposed Draft Text To Modify CUSC

8.16.4

- (e) Without prejudice to Paragraph (d) above, the timetable under (b) above shall be set such that it is no longer than three months, that under (c) above such that it is no longer than two months for the consultation and ***no longer than 28*** days for preparation of the **Amendment Report**, unless in any case the particular circumstances of the **Amendment Proposal** (taking due account of its complexity, importance and urgency) justify an extension of such timetable, and provided the **Authority** does not object, taking into account all those issues.

Notes:

1. The Alternative replaces the NGC version of “ another 28 days” with “no longer than 28 days” to give both effect to NGC’s request for a potential extension by providing a cap of a maximum of 28 days and which is also consistent with NGC’s consultation document statement in 3.3 that it “may not always be necessary to use the extended 28 day timescale”
2. Providing the ‘no longer than’ condition would also facilitate potential efficiency improvements to reduce the Amendment Report production to less than the present “another 14 days”
3. We acknowledge too that the facility to seek Ofgem’s approval for an extension is probably mitigated by increasing the maximum timescale

Reference	CAP042-CR-05
Company	London Electricity Group plc

From: Cecil Dick [Dick.Cecil@le-group.co.uk]
Sent: 24 October 2002 09:00
To: Groves, Emma
Subject: FW: CAP042 consultation response

-----Original Message-----

From: Cecil Dick
Sent: 23 October 2002 18:07
To: 'emma.groves@uk.ngrid.uk'
Subject: CAP042 consultation response

Consultation Response -CAP042 Extension of Report Timescales

This response from London Electricity Group is on behalf of all the groups CUSC Parties.

We are in favour of CAP042. We consider the CUSC Objectives would be better met with the addition of CAP042 as it will lead to greater efficiency by permitting a realistic time to produce accurate reports.

Dick Cecil
London Electricity Group

Reference	CAP042-CR-06
Company	Powergen UK plc

Jane Butterfield
Strategy and Regulation



Emma Groves
Commercial Development
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

24th October 2002
Reference

Dear Emma

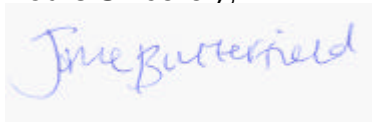
Powergen Response to CAP042 “Extension of timescale for preparation of Amendment Reports”

Powergen UK plc ('Powergen') apologises for submitting our response a day late but we hope you can take our response on the above modification proposal into consideration. Powergen provides this response on behalf of itself and the following Parties: Powergen Retail Ltd, Diamond Power Generation Limited and Cottam Development Centre Limited.

We support this proposal and agree it facilitates the applicable CUSC objectives by assisting National Grid in their administration of the CUSC. However, we believe it needs to be made explicit that this is the maximum timescale required and that Amendment Reports may still be circulated to a much shorter timescale.

Please contact me on 024 7642 4414 should you wish to discuss further.

Yours Sincerely,



Jane Butterfield
Energy Trading
Powergen

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Westwood Way
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ANNEX 4 – COPIES OF COMMENTS RECEIVED ON THE DRAFT AMENDMENT REPORT

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on 29 October 2002, requesting comments by close of business on 5 November 2002).

Representations were received from the following parties:

No.	Company	File Number
1	Scottish Power Generation Ltd & ScottishPower Energy Retail Ltd	CAP042-AR-01

Reference	CAP042-AR-06
Company	Scottish Power Generation Ltd & ScottishPower Energy Retail Ltd

CUSC Amendment Report

To: Emma Groves
Commercial
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry CV4 8JY

5th November 2002

CAP042: Extension of timescale for preparation of Amendment Reports

Dear Emma,

Many thanks for this further opportunity to consider CUSC Amendment Proposal CAP042. This response is provided on behalf of Scottish Power Generation Limited and ScottishPower Energy Retail Limited.

Having considered the other responses to the initial consultation, we agree with the recommendation by NGC that Alternative Amendment (B) better meets the Applicable CUSC Objective enabling NGC to more efficiently discharge its obligations under its Licence.

Although we provided our own amended legal drafting (Alternative Amendment (A)), we note that Alternative Amendment (B), as suggested by British Energy, provides more textual consistency in the context of the remaining wording of Para 8.16.4 (e), whilst maintaining the intent of Alternative Amendment (A), setting 28 days as a maximum limit for the preparation of the Amendment Report.

If you wish to discuss the content of this response, please do not hesitate to contact me.

Yours sincerely,

Abid Sheikh
Commercial Analyst (0141 568 3113)