

Headline Report

Meeting Name: CUSC Amendments Panel
Meeting No: 47
Date of Meeting: 29 July 2005
Time: 10.30 – 3.30
Venue: Brandon Hall Hotel, Brandon, Near Coventry

This note sets out the headlines and key decisions of the most recent meeting of the CUSC Amendments Panel under the CUSC constitution. Full minutes of the meeting will be produced and approved at the next meeting of the Panel and will then be published on the website.

1) Minutes of Previous Meeting

The minutes of the Panel meeting held on 24th June 2005, were APPROVED by the Panel, subject to minor amendment.

2) New Amendment Proposals - CAPs096 - 103

CAP096 - Revisions Resulting from Interconnector Separation

CAP096 was submitted by National Grid. Andrew Truswell gave the Panel a presentation on the Amendment Proposal. The Panel AGREED that CAP096 should proceed straight to Consultation for a period of four weeks. Due to the need to align the modification with the new licensing regime being introduced by the DTI, NGC agreed to review the timetable for Consultation to ensure it was conducted against current baseline, reporting back to the August Panel if necessary.

CAP097 - Revision to the Contractual Requirements for Small and Medium Embedded Power Stations under 6.5

CAP097 was submitted by National Grid. Mark Duffield gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP097 should be considered by a Working Group chaired by Ben Graff of NGC. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the October Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

CAP098 - Reassessment of Suppliers Value at Risk

CAP098 was submitted by Bizzenergy. Keith Munday gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP098 should proceed to Working Group chaired by Ben Graff of NGC. The Panel agreed the Membership of the Working Group and draft

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Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

CAP099 - Incorporation of Additional Credit Management Tools

CAP099 was submitted by Bizzenergy. Keith Munday gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP099 should be considered by a Working Group chaired by Ben Graff of NGC. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

CAP100 - Revision of CUSC Amendment Provisions to Ensure that Amendment Reports Contain a Collective CUSC Panel Recommendation

CAP100 was submitted by National Grid. Ben Graff gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP100 should be considered by the Governance Standing Group, acting as a Working Group, chaired by Steve Drummond. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

CAP101 - Removal of the Amendments Panel Chairman's Casting Vote - in context of Amendments Panel Recommendations

CAP101 was submitted by National Grid. Ben Graff gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP101 should be considered by the Governance Standing Group, acting as a Working Group, chaired by Steve Drummond. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

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CAP102 - Revision of CUSC Amendment Provisions to allow a Proposer to state whether they believe their Amendment has a Security of Supply dimension which means in the view of the Proposer it should be excluded from the Appeals Mechanism by the Authority.

CAP102 was submitted by National Grid. Ben Graff gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP102 should be considered by the Governance Standing Group, acting as a Working Group, chaired by Steve Drummond. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

CAP103 - Flexibility of Working Group Internal Procedures

CAP103 was submitted by National Grid. Ben Graff gave the Panel a presentation on the Amendment Proposal.

The Panel AGREED that CAP103 should be considered by the Governance Standing Group, acting as a Working Group, chaired by Steve Drummond. The Panel agreed the Membership of the Working Group and draft Terms of Reference (TORs). The Working Group would refine the TORs and submit them for approval to the August Panel Meeting. The Working Groups final Report should be submitted to the September Panel meeting, although if the Working Group completes its deliberations on any Amendment Proposal earlier than this the Group should report accordingly to the Panel.

3) Standing and Working Groups

CAP088 Working Group Report

Application of Late Payments of Commercial Debts (Interest) Act 1998

Ben Graff gave the Panel a presentation on CAP088 Working Group Report. The Panel AGREED that the Working Group had fulfilled its Terms of Reference and that CAP088 should proceed to industry consultation for a period of four weeks.

CAP089/090/091 Working Group

CAP089 - Maximum Unsecured Credit Limit

CAP090 - Credit Limits for Rated Companies

CAP091 – Unsecured Credit Allowance and Alignment of VAR

Ben Graff gave the Panel a presentation on the progress of CAP089/090 Working Group. It had been anticipated that CAP089/090 Final Working Group Report would be presented and a verbal report given on CAP091.

The Panel AGREED:

- The withdrawal of CAP089/090 Working Group Report
- The merger of CAP091 with CAP089/090

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- The presentation of a Final Working Group on CAP089/090/091 to the August Panel.

CAP092 & 094 Working Group

Malcolm Taylor gave the Panel a verbal report on CAP092 and CAP094 Working Group. The Panel NOTED the progress to date and AGREED the revised Terms of Reference for both CAP092 and CAP094.

CAP093 - Working Group

John Greasley gave the Panel a verbal report on CAP093. The PANEL noted the progress to date and AGREED the revised Terms of Reference.

Governance Standing Group (Appeals) Interim Report

Steve Drummond gave the Panel a presentation on the progress of the GSG to date. The Panel NOTED the progress on consideration of changes required by Appeals process.

The Panel AGREED:

- The revised Terms of Reference for the GSG
- The wider review of Section 8 of CUSC.

Balancing Services Standing Group

John Greasley gave the Panel a presentation on progress by the BSSG for the last six months. The PANEL noted the progress since January 2005, AGREED the work areas for the next six months, AGREED the revised terms of reference contained in the paper and AGREED a six month extension for the BSSG.

Buy-out of Mandatory Services - Paper from the BSSG.

John Greasley gave the Panel a presentation on Buy-out of Mandatory Services.

The Panel NOTED the BSSG views on buy-out

The Panel AGREED:

- The BSSG should consider further how mandatory frequency response volumes are derived
- Not to process consideration of a full scale buy-out scheme at this stage
- To consider the specific application of a buy-out arrangement to the derogation process.

AOB

The Panel AGREED: The next meeting of CUSC Panel should be held on 25th August 2005 (moved from 19th August 2005).

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Future key meetings:

Next BSSG Meeting: 23rd August 2005

CAP097 Working Group – tba

CAPs 101/102/103 Working Group – 4th August 2005

CAPs 089/090/091 Working Group – 5th August 2005

CAP092/094 Working Group – 5th August 2005

CAP093 Working Group – 9th August 2005

CAPs 098/099 Working Group – 19th August 2005