

DRAFT FOR PANEL
RECOMMENDATION VOTE

AMENDMENT REPORT

CUSC Proposed Amendment CAP123

Quorum at Amendments Panel meetings held via teleconference

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP123

Amendment Ref	CAP123
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Prepared by	National Grid

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

Version	Date	Author	Change Reference
0.1	26/04/2006	National Grid	Draft for internal comment
0.2	27/04/2006	National Grid	Draft for Industry comment
0.3	11/05/2006	National Grid	Draft for Amendments Panel Recommendation Vote
0.4		National Grid	Draft for Amendments Panel Members comment
1.0		National Grid	Formal version for submission to the Authority

b Document Location

National Grid Website:

www.nationalgrid.com/uk/Electricity/Codes/

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 RECOMMENDATIONS

Executive Summary

- 1.1 CAP123 - Quorum at Amendments Panel meetings held via teleconference was proposed by National Grid and submitted to the Amendments Panel on 31st March 2006. The Amendments Panel determined that it was appropriate for the proposal to proceed to wider industry consultation by National Grid. This consultation closed on 25th April 2006.
- 1.2 CAP123 proposes to amend CUSC 8.9.2 to ensure the available conference provisions within CUSC 8.7.8 can be fully utilised and that meetings held via this provision are capable of being quorate.

National Grid Recommendation

- 1.3 National Grid believes CAP123 would better facilitate the CUSC Applicable Objective (a) and as proposer believes it should be approved as it would provide the Amendments Panel with full flexibility to hold quorate meetings via the conferencing provisions within the CUSC.
- 1.4 National Grid recommends that, should the Authority approve CAP123, implementation should be ten business days after the Authority's decision.

Amendment Panel Recommendation

1.4

2.0 PURPOSE AND INTRODUCTION

- 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.
- 2.2 Further to the submission of Amendment Proposal CAP123 (see Annex 2) 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 CAP123.
- 2.3 CAP123 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 31st March 2006 and the Amendments Panel determined that CAP123 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 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.
- 2.5 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 www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP123 proposes to amend CUSC 8.9.2 to ensure the available conference provisions within CUSC 8.7.8 can be fully utilised and that meetings held via this provision are capable of being a quorate meeting of the Amendments Panel.
- 3.2 CUSC 8.9 details the quorum requirements for all Amendments Panel meetings. CUSC 8.9.2 requires a quorum of 6 Panel Member votes "in person" (not persons) and one of those votes shall be National Grid's.
- 3.3 This means all meetings need a minimum of 6 votes "in person" to be quorate (i.e. one National Grid Panel Member, one Panel Member and 2 rightly appointed Alternates by 4 Panel Members which equals 6 votes in person) . Therefore without a reference to CUSC 8.7.8, any Panel meetings not held "in person" i.e. via teleconference are incapable of being quorate in accordance with 8.9.2.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 CAP123 would better facilitate the CUSC Objective(s);
- (a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence; and*
- 4.2 By providing the Amendments Panel with the flexibility to arrange meetings without the need to travel to a specified place thus ensuring time and resources are utilised in an economic and efficient manner. Also urgent meetings can be held as soon as possible using teleconference facilities.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid propose CAP123 should be implemented 10 business days after an Authority decision because it has no material implementation issues for CUSC Parties. In accordance with paragraph 8.19.3(b) of the CUSC, views were invited on this proposed implementation date.
- 5.2 No respondents to the CAP123 consultation expressed a view on the proposed implementation date. There is, therefore, no disparity between the view of the Industry and that of National Grid.

6.0 IMPACT ON THE CUSC

- 6.1 CAP123 requires amendments to Section 8.9.2 of the CUSC. The text required to give effect to the Proposed Amendment is contained in Annex 1 of this document.

7.0 IMPACT ON CUSC PARTIES

- 7.1 CAP123 has no impact upon CUSC parties because it is a straightforward Amendment to rectify a minor defect.

8.0 IMPACT ON INDUSTRY DOCUMENTS

8.1 CAP123 has no impact upon Core Industry Documents or Other Industry Documents because it is a straightforward Amendment to rectify a minor defect.

9.0 IMPACT ON INDUSTRY COMPUTER SYSTEMS OR PROCESSES

9.1 CAP123 has no impact upon on Industry Computer Systems or Processes.

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.

Views of Panel Members

10.2 No views or representations were made by Panel Members in their capacity as Panel Members

View of Core Industry Document Owners

10.3 No views or representations were made by Core Industry Document Owners.

Responses to Consultation

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

Reference	Company	Supportive	Comments
CAP123-CR-01	Centrica	YES	Centrica believe CAP123 would remove ambiguity and agrees it would better facilitate CUSC Applicable Objective (a)
CAP123-CR-02	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business	YES	SAIC believe CAP123 will make the process more cost and time efficient.

11.0 AMENDMENT PANEL RECOMMENDATION

11.1

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid believes CAP123 should be approved as it would ensure conference provisions within the CUSC can be fully utilised by the Amendments Panel as and when required, and therefore would better achieve CUSC Applicable Objective (a).
- 12.2 Also National Grid recommends that, should the Authority approve CAP123, implementation should be ten business days after the Authority's decision.

13.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 13.1 National Grid received no responses following the publication of the draft Amendment Report. The following table provides an overview of each representation. Copies of the representations are attached as Annex 4.

ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The CUSC baseline text shall be amended as detailed below by inserting the coloured and underlined text.

- 8.9.2 Subject to Paragraph 8.9.3, a quorum shall be 6 **Panel Members** who have a vote present (Subject to 8.7.8) in person or by their alternates, of whom at least one shall be appointed by **The Company**.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:123
Title of Amendment Proposal: Quorum at Amendments Panel meetings held via teleconference	
Description of the Proposed Amendment (mandatory by proposer): It is proposed to change CUSC 8.9.2 to ensure the available conference provisions within CUSC 8.7.8 can be fully utilised and that meetings held via this provision are capable of being a quorate meeting of the Amendments Panel.	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): CUSC 8.9 details the quorum requirements for all Amendments Panel meetings. CUSC 8.9.2 requires a quorum of 6 Panel Member votes “in person” (not persons) and one of those votes shall be National Grid’s. This means all meetings need to be “in person” to be quorate. Therefore without a reference to CUSC 8.7.8 any Panel meetings not held “in person” i.e. via teleconference is incapable of being quorate in accordance with 8.9.2 This Amendment proposes to include a reference to CUSC 8.7.8 within the Quorum provisions to ensure any Amendments Panel meetings in the future held via conference are capable of being a quorate meeting.	
Impact on the CUSC (this should be given where possible): Section 8 - CUSC Amendment Change to CUSC 8.9.2 as detailed below by inserting the coloured and underlined text. Subject to Paragraph 8.9.3, a quorum shall be 6 Panel Members who have a vote present (<u>Subject to 8.7.8</u>) in person or by their alternates, of whom at least one shall be appointed by The Company .	
Impact on Core Industry Documentation (this should be given where possible): None	
Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible): N/A	
Details of any Related Modifications to Other Industry Codes (where known): N/A	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer): National Grid believes that by amending the quorum provisions to ensure quorate meetings can be held via conference (if required) would better achieve the applicable CUSC objective (a) (The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence) by providing the Amendments Panel the flexibility to arrange meetings without the need to travel to a specified place thus ensuring time and resources are utilised in a economic and efficient manner also urgent meetings can be held as soon as possible.	

Details of Proposer: Organisation's Name:	National Grid
<i>Capacity in which the Amendment is being proposed:</i> (i.e. CUSC Party, BSC Party or “energywatch”)	CUSC Party

Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 Emma.i.carr@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Shafiq Ullah National Grid 01926 654874 Shafiq.ullah@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment: No	

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:

Beverley Viney
Panel Secretary
Commercial Frameworks
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: beverley.viney@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 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 3rd April 2006, requesting comments by close of business on 25th April 2006).

Representations were received from the following parties:

No.	Company	File Number
1	Centrica	CAP123 -CR-01
2	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business	CAP123 – CR-02

Reference	CAP123-CR-01
Company	Centrica

From: Goldring, Simon [<mailto:Simon.Goldring@centrica.co.uk>]
Sent: Wednesday, April 12, 2006 3:06 PM
To: Viney, Beverley
Subject: CAP123

Beverley,

Thank you for the opportunity to comment on the above referenced CUSC Amendment Proposal. Centrica agrees that the revised wording removes any ambiguity regarding the rules for voting Panel Members or alternates, and as such would better achieve CUSC Applicable objective (a).

Regards

Simon Goldring

Reference	CAP123-CR-02
Company	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business



Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Ref CAP123
Date 25th April 2006

Tel No. 01355 845208
Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Amendment Proposal CAP123, Quorum at Amendments Panel meetings held via teleconference

Thank you for the opportunity to comment on the Consultation for CUSC Amendment Proposal CAP123 regarding the requirement for teleconferences to be considered quorate. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

We support this proposal, as it will make the process more cost and time efficient.

Yours sincerely

Gary Henderson

SAIC Ltd.
For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

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