

Amendment proposal:	Connection and Use of System Code (CUSC): Urgent Amendment Proposals (CAP175)		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	National Grid Electricity Transmission PLC (NGET), Parties to the CUSC and other interested parties		
Date of publication:	27 January 2010	Implementation Date:	2 February 2010

Background to the amendment proposal

The CUSC Governance Standing Group (GSG) has recently reviewed some of the provisions of the governance process within the CUSC, in particular focusing on urgency procedures. The GSG suggested that further detail is needed in order to clarify the urgency process, as set out in Section 8.21 of CUSC.

The amendment proposal

Following the recommendations of the GSG, National Grid Electricity Transmission (NGET) raised CAP175, which seeks to:

- (i) extend the ability to recommend that a proposal be treated as urgent to Balancing and Settlement Code (BSC) Parties and the National Consumer Council (NCC);
- (ii) provide for the Panel Chairman to determine the time by which a decision on urgent matters should be made;
- (iii) convene a Panel meeting to discuss the matter;
- (iv) to further detail the process if not all Panel members are available for the meeting, or if it is not possible to contact an appropriate number of Panel Members; and
- (v) require the Amendment Report to include Authority and Panel views on urgency.

CUSC Panel³ recommendation

On 27 November 2009, the CUSC Panel voted unanimously in favour of CAP175. The panel considered that by improving procedural efficiency in the circumstances of an urgent proposal being raised, the amendment would better facilitate Applicable Objective (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence. In the context of CAP175 these obligations relate to the establishment and operation of procedures for the modification of the CUSC, as set out in Standard Condition C10.

The Authority's decision

The Authority has considered the issues raised by CAP175 and the final Amendment Report (AR) dated 18 December 2009. The Authority has considered and taken into

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ The CUSC Panel is established and constituted from time to time pursuant to and in accordance with the section 8 of the CUSC.

account the responses to NGET's consultation on CAP175 which are attached to the AR⁴. The Authority has concluded that:

1. implementation of the amendment proposal will better facilitate the achievement of the applicable objectives of the CUSC⁵; and
2. directing that the amendment be made is consistent with the Authority's principal objective and statutory duties⁶.

Reasons for the Authority's decision

We set out our views in relation to each of the five points which CAP175 seeks to change:

i) Extension of ability to recommend that a proposal be treated as urgent

Currently, only a CUSC Party is able to recommend that a proposal be treated as urgent, though a wider set of interested parties, including BSC Parties and the National Consumer Council can legitimately raise amendment proposals. We therefore consider that the extension of the ability to recommend urgent status to these parties corrects a current anomaly and would make the CUSC amendment process more equitable, transparent and efficient.

ii) Panel Chair to determine time

We do not consider that this section is wholly necessary. The Panel Chairman already has a degree of discretion on how long to take trying to gauge Panel members' views, as discussed below and the additional steps in the procedures may only serve to complicate and delay matters. The very nature of what is being considered requires Panel Members and the Chair to act as soon as reasonably practicable in any event, being guided by the proximity of whatever date related event prompted the proposer to seek urgent status for their proposal.

iii) requirement to convene Panel meeting

Again, we consider that the requirement to convene a Panel meeting to discuss the request for urgency has the potential to hinder the efficiency of the process. We also recognise that if such a meeting can be accommodated it would allow for greater transparency that may otherwise be the case if several bi-lateral conversations took place. However, we acknowledge that the proposed text allows for this meeting to be via a conference call where appropriate, and we would certainly encourage this where travel requirements would otherwise delay proceedings. We also recognise that in the event a meetings is not practicable, the chair retains the discretion to contact each panel member individually, as at present.

iv) process if not all Panel members are available for the meeting, or if it is not possible to contact an appropriate number of Panel Members

⁴ CUSC amendment proposals, amendment reports and representations can be viewed on NGET's website at <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/>

⁵ As set out in Standard Condition C10(1) of NGET's Transmission Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=5327

⁶ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

We consider that the part of the proposal is unnecessary. Existing provisions already provide for a majority view of those contacted to be sufficient to agree an urgent recommendation. They also allow the Panel Chair discretion to proceed in the event that no members can be contacted and circumstances require it.

v) amendment Report

Including in the Amendment Report details of both the Authority's and Panel's views on urgency, would in our view help to facilitate Applicable Objective (a) by helping to make the CUSC amendment process more transparent and efficient.

For the reasons set out above, we consider that the proposed amendments will, on balance, improve certainty and transparency of the urgency procedures, and as long as applied by the panel chair, secretary and members in a pragmatic manner, being mindful of the circumstances of the request, should not unduly delay proceedings.

Decision notice

In accordance with Standard Condition C10 of NGET's Transmission Licence, the Authority, hereby directs that amendment proposal CAP175: '*Urgent Amendment Proposals*' be made.

Mark Cox,
Associate Partner, Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.