

25 June 2001

Our Ref:
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Dear ,

CUSC Amendments Panel

The CUSC was designated by the Secretary of State on 25th June 2001. As part of the governance arrangements contained within the CUSC there will be a CUSC amendments panel which has a role in the amendments process. The Amendments Panel will consist of NGC members, 7 members appointed by the industry and a member appointed by energywatch. The CUSC also allows Ofgem to appoint an additional person to the panel, if in our opinion there is a class or category of person (whether or not a CUSC Party or a BSC Party) who has interests in respect of the CUSC but whose interests are not reflected in the composition of panel members for the time being appointed, but would be so reflected if a particular person was appointed as an additional panel member.

The election of the industry panel members for the first CUSC Panel was undertaken in March 2001. The following persons have been elected to the Panel:

- Dick Cecil (nominated by London Electricity)
- Nigel Cornwall (nominated by Shell Gas Direct)
- John David Lane (nominated by South Western Electricity)
- Keith Miller (nominated by Enron Direct Ltd)
- Philip Russell (nominated by Eastern Electricity)
- Malcolm Taylor (nominated by BP Chemicals Ltd)
- Barbara Vest (nominated by Yorkshire Electricity)

The following alternate industry panel members were also elected:

- Richard Ford (nominated by Northern Electric)
- Simon Lord (nominated by First Hydro)
- Ian Moran (nominated by Scottish and Southern Energy)
- Brian Sequiera (nominated by British Gas Trading Ltd)
- John Stewart (nominated by South Coast Power Ltd).

NGC has confirmed that the panel chairman will be Charles Davies from NGC and that the NGC panel members will be Chris Bennett and John Pettigrew. There will also be a panel member from energywatch.

We are now considering whether there is need for Ofgem to exercise its power to appoint an additional panel member. Following the results of the election, Ofgem received a representation from Steve Drummond from Alec stating that the elected panel members, whilst being capable, and from organisations that cover most of the industry participants, may lack expertise relating to issues associated with Interconnectors and their interaction with the rest of the system. Steve Drummond therefore recommended that Ofgem appoint him to the Panel to provide additional expertise in this area.

Ofgem now requests views from interested persons on the following points:

1. Are the interests of interconnected parties (either users of the interconnector and interconnector owners) reflected in the composition of the elected panel?
2. If not, would these interests be reflected if Steve Drummond, or another person (please name) was elected to the CUSC Panel?
3. Are there any other classes or categories of persons who have interests in respect of the CUSC whose interests are not reflected in the composition of the panel?
4. Would these interests be reflected if a specified person (please name) was elected to the CUSC Panel?

Depending on the content of responses to this letter, Ofgem may decide to consult further on this matter. Alternatively, we will reach a decision as to whether to appoint an additional member to the Panel at this time. If we decide that such an appointment is necessary we will give notice to the Panel Secretary under section 8.3.3 of the CUSC. We will then publish our decision and the reasons behind it.

Please send responses to this letter by 9th July 2001.

Yours sincerely

Helen Knight
Manager, Connection and Use of System Code