

Dear All,

We took an action to forward the response from our Legal advisors on the concerns raised over the governance of this change proposal. The response, provided by Gus, covers a number of previous email responses as the an understanding of the issue developed. This was produced yesterday and received Panel approval for it to be shared with you.

My current understanding of the CUSC proposals is that NGESO will act as an interface between the T-connectee and the DNO/IDNO, that the T-connectee will be paying NGESO under the CUSC, and that any rebate will be paid by NGESO to T-connectee under the CUSC.

However, the CUSC modification will not be dealing with the charging methodology used by distributors to calculate charges for these reconfiguration works. The CUSC WG has taken the view that this is not within the CUSC vires. I agree with that.

Mike still didn't seem quite convinced that the charging methodology for distribution reconfiguration works was within the vires of DCUSA, but he was going to consider further.

I remain of the view that this Change can be dealt with in the DCUSA. The scope of the Change would now seem to be setting out rules on how distributors charge for reconfiguration/diversion works (and similar) - possibly only when required by NGESO under the CUSC (but potentially more widely). Although this is clearly not a distribution connection charging issue, I remain of the view that this can be dealt with in the DCUSA, and that the DCUSA is the most sensible home for distribution charging rules.

Gus Wood – Gowlings

Please find John Lawton's comments below:

"My understanding of the response seems to be that the first two sentences relate to the proposed CUSC change but this change is being considered irrespective of whether it is approved or not. That said I suspect it will impact our legal drafting so we will need to consider this again at some point.

The key part of the response is in the last paragraph which supports the progression of the change to DCUSA but does recognise that it is not a connection charging issue. This needs to be considered as to where to place the legal text. Finally, we should remember that we have discounted the 'potentially more widely' comment as being out of scope of this change proposal.

Regards

John Lawton"