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19 July 2006

INDUSTRY CODES COMPLIANCE REVIEW - SEMINAR

Energy regulator Ofgem is to host a seminar to discuss the options and objectives for its industry codes compliance review (ICCR).

The GB gas and electricity sector has, over a number of years, developed regulated contractual codes and agreements which form the framework for its competitive markets. The ICCR will examine the appropriate roles for regulatory enforcement and self-governance of these codes and agreements. It will also consider how companies should comply with them.

This review will build on the work of the Supply Licence Review which also looked at these issues. Ofgem is now consulting with the industry and other interested parties on a number of options* for the review and it will host a seminar to discuss these on 23 August 2006. For further details, please email: industrycodes@Ofgem.gov.uk

The ICCR consultation document can be found at www.ofgem.gov.uk under the ICCR area of work.

-Ends-

Notes to editors

* These options include:

- do nothing – to leave the arrangements broadly as at present if an overall benefit in doing further work cannot be identified
- develop Ofgem's current enforcement policy principles
- change the relevant licence conditions so that the compliance provisions are re-stated
- consider the structure of the codes with a view to identifying key sections and clauses Ofgem needs to be able to enforce, leaving the remaining parts enforced by self-governance, and
- consider the regime where self-governance ensures Code compliance without any regulatory enforcement.

1. Various codes govern access to and use of the energy networks. They include the Uniform Network Code for gas and the Balancing and Settlement Code and Connection and Use of System Code for electricity. For the avoidance of doubt, the codes in question do not include the Codes of Practice pertaining to social and metering obligations.

2. Companies supplying gas and electricity in Great Britain are licensed by Ofgem. The electricity and gas supply licences contain a number of conditions that suppliers must comply with. Ofgem is currently reviewing these conditions and more information can be found in document 113/06 - Supply Licence Review - Initial Policy Proposals published by Ofgem on July 7, 2006. This document can be downloaded from the Supply Licence Review area of work on the Ofgem website.

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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