

Draft Terms of Reference Code Administrators' Working Group

Purpose

The purpose of this group is to explore, identify and progress opportunities for:

- making the code modification process more accessible, usable and transparent for all parties including consumers, new entrants and smaller market participants; and
- encouraging best practice and, where appropriate, the simplification and convergence of code modification processes.

Background

Ofgem is concerned that the complexity and sheer number of industry codes governance arrangements may be prohibiting fuller participation of certain parties, particularly small companies, new entrants and consumers. We are also concerned that the resources required to initially propose, then progress, a modification through the various governance mechanisms may be stifling changes which would otherwise bring benefits to the wider industry and ultimately consumers.

Scope and Deliverables

The group is asked to produce by January 2009 an initial draft report setting out its findings in respect of the following:

1. To what extent do the current modification rules adhere to the principles set out in Ofgem November 2007 open letter?
2. How does small party/new entrant/consumer participation vary across the codes?
3. What aspects of the modification procedures do small participants/new entrants/consumers find to be a particular burden?
4. How can the code modification arrangements be made more transparent and accessible to smaller parties, new entrants and consumers?
5. Do small parties/new entrants/consumers consider that enough assistance is available to them in participating in code modification processes?
6. What role does the code administrator play in developing the proposal? Should this role be strengthened to assist smaller parties, new entrants and consumers in developing proposals?
7. What aspects of the modification procedures of each code work well? What aspects do not work well?
8. In what areas could the modifications procedures appropriately be simplified and/or aligned to achieve best practice?

Composition

The Review group will comprise the following:

Ofgem (Chair)	(To be confirmed)
Ofgem (Secretary)	(To be confirmed)
BSC Chair/Secretary	(To be confirmed)
UNC Chair/Secretary	(To be confirmed)
CUSC Chair/Secretary	(To be confirmed)
(Other Codes) Chair/Secretary	(To be confirmed)
Small Party Representative	(To be confirmed)
Consumer Representative	(To be confirmed)
Industry stakeholder representative	(To be confirmed)
Industry stakeholder representative	(To be confirmed)
Industry stakeholder representative	(To be confirmed)
Industry stakeholder representative	(To be confirmed)

Resources

- Meetings will be held at Ofgem's offices at Millbank, London
- Ofgem will provide secretariat support to the group in terms of meeting organisation and minute taking.
- The preparation of the draft and final reports is to be undertaken by group members.

Suggested Information sources

- Review of industry code governance – scope of the review, June 2008
- The Brattle Group Report on Industry Code Governance
- The UNC Modification Rules
- The BSC Modification Rules
- The CUSC Modification Rules

Timetable

The draft report should be published and presented to Ofgem in January 2009. It is proposed that industry participants and other interested parties will be consulted on the report and its conclusions. A final report would then be prepared in spring 2009 although the subsequent timetable may be determined by the findings of the final report.

Meetings will initially be scheduled on a monthly basis, but may be varied with the consensus of the group.