

## Code Administration Code of Practice

### User feedback form

The Code Administration Code of Practice (CoP)<sup>1</sup> was implemented on 31<sup>st</sup> December 2010. The aim was to facilitate convergence and transparency in code modification processes. The CoP is formally adopted by the UNC, BSC and CUSC, and has been voluntarily observed by other codes.

In accordance with Principle 4, the CoP is subject to periodical review by users. In this first review, we welcome your feedback on how well the CoP Principles are being achieved in practice and any suggested amendments that you would like to raise for consideration.

Please provide your feedback by completing this form and returning your comments to Ofgem **by Friday 20<sup>th</sup> January**:

[industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

If you would like any comments to be considered as confidential, please indicate this clearly.

*Thank you*

**Name:** Tim Davis

**Company:** Joint Office

**Email:** tim.davis@gasgovernance.co.uk

**Which industry code(s) are you actively involved with\*?**

UNC

**How would you characterise your involvement with the above code(s)?**

Code Administrator

\* Please indicate in each of your responses which code your comments relate to.

---

<sup>1</sup> A copy of the Code Administration Code of Practice can be found at <http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/FinalCoP.pdf>

**Please share examples of any areas where you have found the application of the CoP Principles particularly successful. Please include any suggestions of 'best practice'.**

While difficult to point to specific examples or 'best practice', our sense is that greater emphasis than previously has been given to ensuring smaller participants (including consumers) are considered in the modification process.

Similarly, we believe the focus on legal text has increased since introduction of the CoP.

**Please share examples of any areas where you have found the application of the CoP Principles particularly *unsuccessful*. Please include any suggestions for improvement.**

We have a general concern regarding the translation of the CoP requirements into the UNC Modification Rules, together with other changes introduced to comply with Licence changes following the Codes Governance Review. There is naturally a tendency to seek to implement change by accommodating the requirements within the existing structure rather than starting with a clean sheet of paper. However, this is not always easily achieved and can create complexity and confusion. Efforts are continuing to address anomalies and increase clarity within the amended Modification Rules, but there is a risk that further changes and clarifications may further complicate the position by adding additional obligations.

Rather than creating a simpler, more accessible, modification process – which we believe was the intention – we believe the Modification Rules are now more complex than before the introduction of the CoP. For example, modifications can be classified as Modifications, Self-Governance Modifications, User Pays Modifications, Third Party Modifications, Significant Code Review Modifications, Significant Code Review Suspended Modifications – or a combination of these. On top of this, the Rules allow for varied modifications, and alternative modifications. It is difficult for any party to be clear as to which of the categories each modification falls and the implications of that classification.

Within the Joint Office, we have difficulty interpreting the Rules at times, and issues have been raised at Modification Panel meetings, which suggest that Panel Members are also unclear at times as to how the process is intended to operate. This is perhaps unsurprising given the complexity now embodied in the Modification Rules, but suggests there may be merit in a more fundamental review of the Modification Rules with a view to simplifying them in line with the Code of Practice.

**How useful do you consider the standardised processes, timetables and documents to be, as set out in the CoP?**

We welcome and support the use of processes which are widely understood and simple to operate. The existence of a standardised approach is helpful in delivering this.

**Do you consider that the standardised processes, timetables and documents have been successfully implemented in the code(s)?**

The standardised approach has been implemented in the UNC at a high level, However, added complications and distinctions within the UNC Modification Rules make it difficult to reconcile the process with that set out in the CoP.

**In respect of Principle 1, which describes the role of Code Administrators as 'critical friends', if you are a code user, how would you evaluate the implementation of this principle in 2011?**

Not applicable.

**Have you identified any additional areas that you feel it would be helpful for the CoP to cover? If so, please describe how you feel this would improve the code administration processes.**

No.

**Are there any areas of the CoP that you have found to be inconsistent with other code processes? Please identify any specific examples.**

No.

**Have you identified any parts of the CoP that you feel should be removed or amended? If so, please explain your reasons for this.**

The only area where we would wish to propose significant amendment is to the Modification Templates. Based on experience in the first year, we have produced a revised set of templates which we intend submitting for consideration. The changes include:

- Retitling the proposal template Modification rather than Proposal, such that it will be consistent with the standard terminology in the CoP.
- Removal of the section headed "The Case for Change". In practice, we find that the case for change is, quite rightly, made in the assessment of the impact against the Relevant Objectives. The Case For Change section therefore generally records "Nothing in addition to that above".
- Inclusion of a Legal Text section in all templates. We consider the legal text to be an integral part of any modification documentation and including this in a specific section helps to make it more readily identifiable
- Inclusion of contact details for additional parties. Including details of the systems provider and licence holder in addition to that of the proposer and Code Administrator should help interested parties obtain information regarding modifications.
- Creation of an additional template to provide a standardised Consultation Response Template.

**Do you feel it would be useful at this stage to impose KPI targets on the Code Administrators (whereas currently KPI data is recorded, but no targets are set)?**

No. We would welcome a review of the present KPIs with a view to establishing whether they are valued by industry participants, and whether any changes to the measures would be welcome.

**How would you rate your experience of the overall usefulness of the CoP?**

<b>CODE</b>	<b>Very poor</b>	<b>Poor</b>	<b>Neutral</b>	<b>Good</b>	<b>Excellent</b>
<b><i>BSC</i></b>					
<b><i>CUSC</i></b>					
<b><i>UNC</i></b>				<b>X</b>	

**Do you have any other comments?**

Our biggest concern is that translation of the CoP principles and other Codes Governance Review outcomes into the UNC Modification Rules may have undermined the intention of the CoP. The CoP Introduction states, *inter alia*, that the intention was for the CoP to support Code Modification processes “governed by processes that are transparent and easily understood”. We do not believe that the present UNC Modification Rules are easily understood and hence are concerned that this intention has not been delivered.