

Code Administration Code of Practice

User feedback form

The Code Administration Code of Practice (CoP)¹ was implemented on 31st 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 20th January**:

industrycodes@ofgem.gov.uk

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

Thank you

Name: Alex Thomason

Company: National Grid Electricity Transmission plc

Email: alex.thomason@uk.ngrid.com

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

CUSC

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.

¹ 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'.

The application of the CACOP has been successful in clarifying the role of the CUSC Code Administrator.

The templates associated with the CACOP are being successfully used in the CUSC governance process with the exception of the Modification Proposal form (see comments below). The CUSC Modification Proposal templates now include guidance notes, published on National Grid's website, to help potential Proposers complete the forms.

To encourage participation in Code Modification processes and to encourage industry debate via open forums, National Grid and ELEXON as Code Administrators for the CUSC and BSC have put in place a "Cross Codes Electricity Forum" (CCEF) which is being held bi-monthly at ELEXON's offices in London. The CCEF also covers Grid Code and DCUSA updates and has received positive feedback from attendees. The CCEF aims to enable small market participants to obtain updates on all code Modifications at one meeting, which they can attend via teleconference and using web technology to help reduce travel time and expense.

Since the implementation of the CoP a number of CUSC governance changes have been raised, for example, CMP198 which seeks to introduce Proposer Ownership. To ensure consistency and best practice, the changes have been reviewed not only against the BSC but also against the UNC, in line with the spirit of the CACOP.

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 are not aware of any examples of "unsuccessful" application of the CACOP principles for the CUSC.

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

The standardised processes, timetables and documents have added clarity and structure, however we note that the CUSC (and other codes) still allow for some flexibility within the common modification process. We think it is important that some flexibility is retained, recognising the natural differences that exist between the industry codes.

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

Under Principle 2, Codes will use a consistent structure for Modification related documents, with consistent templates and contents. In general the standardised processes, timetables and documents have been successfully implemented for the CUSC with the exception of the "Modification template" (available on the Joint Office's website at <http://www.gasgovernance.co.uk/cop/templates>).

We note that the template used as the "Modification template" is the first stage in the suite of modification documents designed to be used throughout the modifications process. However, at 13 pages long, the Modification template may prove daunting to those within the industry who are unfamiliar with raising a Modification Proposal.

We agree with the principle of providing consistency across codes, as long as some flexibility can be retained where relevant. With this in mind, we have continued to use the existing CUSC Modification Proposal form template (available on our website at http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/forms_guidance/), while adding guidance notes to make it easier to use. We note that the BSC uses a similar approach.

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?

N/A

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.

We have not identified any additional areas.

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

Since implementation of the CACOP, we have identified a couple of areas where the CUSC governance differs slightly to the description of the CACOP Common Modification Process. These issues were highlighted during the CUSC modification discussions and we mention them here for information; we do not necessarily think they require a change either to the CACOP or the CUSC.

Industry Consideration (p19 of the CACOP): "Completed Modification documents will include the Workgroup's recommendation to the code panel".

CMP196: Revisions to "recommendations" in the final CUSC Modification Report, the outcome of this modification was to remove all references to 'recommendations' in the final CUSC Modification Report apart from the recommendation of the CUSC Modifications Panel. The aim of CMP196 was to ensure there was no ambiguity in the understanding of a "majority recommendation" and to ensure that parties maintained their rights of appeal to the Competition Commission. However, the concept of a Workgroup "recommendation" still exists, but is now called the "Workgroup's conclusions". As the recommendation still exists in spirit, we do not think this necessarily requires a change to the CACOP.

Report to the Panel and Panel Recommendation (p.20 of the CACOP): "the Proposer is entitled to attend the panel meeting and put forward views on the appropriate way forward"; "Modification proposers will be entitled to attend and speak at panel meetings."

CMP198: Proposer Ownership of CUSC Modification Proposals has been approved by the Authority and is due to be implemented on 31st January 2012. As part of CMP198, the

Workgroup considered the issue of Proposer's rights to address the Panel in support of their Modification proposal. The Workgroup majority view was that both Proposers' and Workgroup members' views should be represented within the Workgroup Report and that neither party should have an explicit right to speak in support of their Modification proposal (or alternative) at the Panel meeting where the Panel Recommendation is made. This would avoid rerunning the Workgroup debate at the Panel meeting and any issues of giving an unfair advantage to any one party's favoured option. However, the CUSC does permit any party to attend a CUSC Panel meeting, if invited by either the Panel Chairman or a Panel Member and representatives of BSC and CUSC Parties have an open invitation to attend. These parties can speak at the meeting, if invited to do so by the Panel.

As the CUSC allows for Proposers and Workgroup members to attend Panel meetings and to speak, where invited, we do not consider a change to either the CUSC or CACOP is necessary.

We note that both the CUSC and the CACOP are kept under review and that the issues above may be addressed in future if need be.

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

A potential amendment could be to clarify that the Common Modification Process is not set in stone for all codes covered by the CACOP and that some flexibility can be applied, for example in the exact content of the modification document templates.

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)?

We understand that the original intention was that following the KPIs' implementation, they would be measured for the first year and targets would then be applied, in order to drive appropriate behaviour based on the results of the first year.

The CUSC Panel has recently been debating the relevance of the CUSC KPIs and their usefulness. Prior to imposing any targets we suggest that further industry debate is encouraged across all Codes to establish the usefulness of the current KPIs and how they could be improved. We look forward to seeing the results of this survey to provide guidance in this area.

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

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

Do you have any other comments?

We look forward to seeing the results of this survey to provide us with useful feedback in our role as Code Administrator.