

## Code Administrators' Working Group (CACoP Review 2012)

Minutes of the 'CAWG' meeting  
convened to review the Code  
Administration Code of Practice

Date and time of Meeting	24 April 2012, 10am
Location	By teleconference

### 1. Present

Catherine Wheeler	Ofgem (Chair)
Lisa Charlesworth	Ofgem (Secretary)
Jon Dixon	Ofgem
Adam Lattimore	Elxon
Alex Thomason	National Grid
Tim Davis	Joint Office of Gas Transporters
Erika Melen	Scotia Gas Networks
Paul Coyle	Scottish Power
Rebecca Mottram	Gemserv
Beth Brown	Electralink
Garth Graham	SSE
Peter Bolitho	EON
David Smith	Npower
Chris Allanson	DCUSA Ltd

### 2. Introductions

2.1. The Chair introduced the meeting by providing some background on the Code Administration Code of Practice (CACoP) and the focus of this review.

### 3. Terms of Reference

3.1. Approved.

### 4. Principle 12: Code Administrator KPIs

4.1. There was general agreement among working group members that some commentary around the KPIs in the annual reporting process would be helpful. In addition there was the suggestion of making the background data accessible for parties who want to take a more detailed look behind the figures, and that the annual reporting of the KPIs should be available via a link on the Ofgem website.

4.2. Working group agreed that the 'percentage' of reports sent back to the Authority is not necessary and that reporting the 'number' is sufficient. There was a view that the Code Administrators (CAs) shouldn't be judged on this, and it was noted that these are Code 'Administration' KPIs that cover all parties in the process.

4.3. In respect of the KPI measure regarding accord with the Authority's decision, there was a general opinion that some disagreement in this regard is healthy and this is a useful measure, though targets should not be set. The potential for the relatively rare occurrence of the Authority 'bundling' decisions together was noted and in such cases the KPI commentary can pick up on this.

4.4. It was agreed that the KPI on 'effective communication' would be better reported as a qualitative measure, whereby a question in the CA's user survey should be included to ask whether users find reports sufficiently clear. This will allow CAs to review what, if any,

comments are received and it could be reconsidered in a later CACoP review whether this KPI is in fact useful.

4.5. A suggestion was made that CA reporting on implementation costs should include not just system change costs, but also record the costs of progressing the modification. However, it was put forward that this would be difficult to achieve in the UNC due to the large number of modifications.

4.6. No further user comments were raised on the KPI measure themselves and it was agreed that Ofgem would follow up separately with the CAs in respect of the KPI reporting.

## **5. The Standard Modification Process**

5.1. Some views were expressed by users that an appropriate balance between flexibility and convergence seems appropriate. One suggestion was that the column on the right hand side of the templates was not best use of space, and that some work could be done to strip these templates back.

5.2. One user gave feedback that CUSC reports are easier to read compared to the BSC reports. The CUSC document progresses over time resulting in the information being contained in one place. It is helpful to ensure that one complete document is sent to Ofgem and it is therefore clear to parties what information has been provided to Ofgem for their decision.

5.3. One CA commented that it is useful to have a standard 'bare bones' template across the codes but that some flexibility is needed for the different code arrangements.

5.4. One user commented that the reports have become too long; also that consultation responses are not given enough prominence within the report.

5.5. One CA commented that the original intention of the CACoP was to have a standard modification process across the codes. It is more difficult for the templates to be common if the standard modification process has not been implemented by all the codes.

5.6. It was commented that if the intention was to establish a fully standard process across the codes, the CACoP should take precedence over the codes. Another view was that this wasn't needed, but that it does require code users to get on board with the standard process and raise modifications to bring the code processes into line.

5.7. There was some agreement among working group members to the idea that a common format is helpful, but that some distinction between the different codes is actually beneficial to users; a 'one size fits all' process isn't necessary.

5.8. The Chair summarised the overall view that a standard structure is needed for the process templates to set out what, as a minimum, must be included, but that the templates are more useful as guidance rather than a fixed format.

5.9. The working group discussed a number of other points arising from the initial user consultation. Differing views were put forward as to whether it is appropriate for a modification proposer to be able to address the code panel at the end of the modification assessment process. One view was that by this stage views from all parties should have been put forward in writing. Another view was that the right to address the panel should remain available for all parties.

5.10. There was general agreement among the working group that this matter can sit outside the CACoP but should be monitored. At the moment it is not a particular issue and is a matter for the panel chair's discretion.

5.11. Regarding the CAs pre-modification processes, there was no particular feedback from working group members on this area, except that a standard form may be helpful.

5.12. One user put forward the view that CAs should include consideration of post-implementation evaluation in their modification analysis. This is because post-implementation targets should be set at the time of the change and not at the time a post-implementation evaluation is carried out. This would only be relevant in particular cases where the Authority has made clear to the CAs that the change is likely to result in a post-implementation evaluation.

5.13. Ofgem commented that these are few and far between, and need to be dealt with on a case by case basis. It would be difficult to set this requirement out in a high level principle within the CACoP.

5.14. It was agreed that this is not a matter for the CACoP but that further consideration could be given to this and it was suggested that an open letter from Ofgem could deal with this matter.

5.15. There were no particular views from the working group on the format of the indicative timeframes set out in the CACoP. One user commented that from a user perspective they would look at the modification's individual timetable as set out by the code panel, rather than referring to an indicative timetable, however it was generally agreed that there was no particular value in taking the indicative timeframes out of the CACoP as it a useful reference point if needed for guidance.

5.16. It was discussed that the CAs are using different timeframes for when a modification proposal must be submitted in order to be considered at the next panel meeting. In the CACoP this is eight days, and one CA commented that the original intention when the CACoP was developed was that this would be set as the industry standard across the codes.

5.17. Overall it was considered that the wording could be adapted slightly to change 'must' to 'should' in recognition of this being an indicative timetable rather than having precedence over individual modification rules. It is considered useful to retain the timetable, and the possibility of linking to the code specific timeframes was suggested.

5.18. It was further suggested that a common document which sets out where differences between the code processes lie may be helpful. Ofgem commented that some analysis on this will be done as part of a second phase code governance review (CGR) and as such an action on this point could be picked up for consideration under that project.

5.19. Some CA feedback in the initial consultation included that the CGR outcomes have created added complexity in their code modification rules. One user commented that undoubtedly the process has become more complex, with the introduction of significant code reviews and self governance, but that the outcome is the most important thing.

5.20. Ofgem confirmed that this point will be picked up as part of the second phase CGR, rather than under the CACoP review, to look at the implementation of the CGR outcomes thus far.

5.21. An additional point was raised regarding the usefulness of the report phase in the BSC. This process also exists in CUSC. One view was that this appears to be a rubber stamping exercise, and that this creates repetition on parties to repeat previous submissions.

5.22. It was agreed that this is not something that the CACoP can change and this would need to come from industry raising a modification. The usefulness of the report phase consultation could be reconsidered separately by parties, and the relevant CAs would need

to work out what the implications would be, i.e. if there would be any knock on effects of its removal.

## **6. Principle 4: CACoP Change Process**

6.1. There was general agreement that a similar process to that adopted in year one was appropriate, namely consultation followed by engagement with a working group.

6.2. It was generally not considered that the CAs would be best placed to co-ordinate the process as there were bound to be disagreements and therefore Ofgem as an independent party were best placed to co-ordinate the review.

6.3. It was discussed that Ofgem would consult on any changes with all code users and make a final decision. It was commented that the only specific change requested this year was to the standard templates referred to in the CACoP.

6.4. It was commented that another review should take place next year and that once the CACoP has bedded in the frequency of reviews could hopefully be reduced.

## **7. Any other business**

7.1. Meeting closed.