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for energy consumers

To: Code Administrators, gas and
electricity licensees and all other
interested parties

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Dear Colleague,

Approval of changes to the Code Administration Code of Practice

The letter sets out our decision to approve changes to the Code Administration Code of Practice (CACoP)¹.

Background

As part of Ofgem's Code Governance Review (CGR)² a Code of Practice, the CACoP, was developed by industry to facilitate convergence and transparency in code modification processes. It is also intended to help protect the interests of small market participants and consumers through the adoption of key code administration principles.

The CACoP initially applied only to the Balancing and Settlement Code (BSC), the Uniform Network Code (UNC) and the Connection and Use of System Code (CUSC). Following on from the Code Governance Review Phase 2 (CGR2)³, the CACoP now applies to the other industry codes, ie the Distribution Code, Distribution Connection and Use of System Agreement (DCUSA), Grid Code, Independent Gas Transporters UNC (iGT UNC), Master Registration Agreement (MRA), SO-TO Code (STC) and Supply Point Administration Agreement (SPAA). In addition, it applies to the new Smart Energy Code (SEC) designated by Government in September 2013.⁴

The relevant gas and electricity licence conditions set out that changes to the CACoP must be approved by Ofgem⁵.

¹ The previous copy of the CACoP can be found here: <https://www.ofgem.gov.uk/ofgem-publications/83222/cacopv11.pdf>. The updated version will soon be available here: <https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-administration-code-practice-cacop>

² Details regarding Ofgem's CGR or CGR2 can be found here: <https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review>

³ See footnote 2

⁴ Government is leading a project to install 53 million smart meters in households and in smaller non-domestic premises by 2020. The Smart Energy Code sets out the terms of provision of the Data Communications Company's (DCC) Smart Meter communications service, and specifies other provisions to govern the end-to end management of Smart Metering. Government's decision to designate the SEC is available here: <https://www.gov.uk/government/consultations/stage-1-of-the-smart-energy-code-conclusions-and-proposal>

⁵ Standard conditions 21, 22 and 23 of the electricity distribution licence, standard conditions B12, C3, C10 and C14 of the transmission licence, standard condition 30 of the gas supply licence, standard condition 9 and standard special condition A11 of the gas transporters licence, and section C7 of the Smart Energy Code.

The proposed changes

At a joint meeting of the Code Administrators on 26 September 2013 National Grid⁶ agreed to propose some house-keeping changes to the CACoP to reflect the new licence requirements which extend the application of the CACoP to these other codes, and which are being implemented on the 31 December 2013. The proposed changes, which have been agreed with all Code Administrators, were submitted to Ofgem for approval on 20 December 2013.

Several house-keeping changes have been proposed. All relevant industry codes and their respective Code Administrators are now included in the document. Reference has been made to the Fast-Track Self-Governance Process. There has also been a paragraph added to the Introduction section reflecting that the finer level of detail set out under each principle reflects current practice and alternative and innovative approaches may also be appropriate.

Our decision

We are satisfied that the changes that have been proposed are appropriate in light of the new licence requirements that come into effect on 31 December and Government's decision that the CACoP should apply to the new SEC. We agree with the change to the introduction to reflect that alternative and innovative approaches may be appropriate, and note that such approaches themselves may lead to proposed changes to the CACoP, to reflect potential improvements in current working practices.

In accordance with Principle 4 of the CACoP and the provisions of the relevant licence conditions, Ofgem approves all changes to the CACoP that have been proposed in this submission. The revised version will be published on our website⁷ here:
<https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-administration-code-practice-cacop>.

Lesley Nugent
Head of Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose

⁶ In its capacity as the code administrator for the CUSC, Grid Code and SO-TO Code.

⁷ It will be available from 2 January 2013.