Code Administration Code of Practice

As part of the energy Codes Governance Review Ofgem proposed that a Code of Practice "be established to facilitate convergence and transparency in code Modification processes and to help protect the interests of small market participants and consumers through various means including increased use of plain English in modification reports".

The Code of Practice puts forward principles for Code Administrators to follow, but also sets out principles applicable to a code Modification process. A standard Modification process is described, including standard pro-forma code Modification documents, processes and timescales.

Amendment Record

Version	Date	Description of Changes
V1.0	02/06/2010	Introduced as part of Code Governance Review
V2.0	02/10/2013	Updates following the CACOP review December 2011.
V2.1	23/10/2013	Proposed updates following the outcomes of Code Governance Review (Phase 2); Licence requirements taking effect from 5 August 2013.
V2.2	12/12/13	Updated inline with Code Administrators comments
V2.3	18/12/13	Updated in line with Code Administrators comments
v3.0	20/12/13	For Authority Approval

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Introduction

This Code of Practice is for energy Code Administrators and users. It is also intended to encourage participation from those involved in the energy business who may not be Code users, as may be strictly defined in those Codes.

The following organisations have committed to operating their code administration functions in accordance with the Code of Practice:

Code Administrator	Code
ElectraLink Ltd	Distribution Connection Use of System Agreement (DCUSA) Supply Point Administration Agreement (SPAA)
Energy Network Association	Distribution Code (DCode)
ELEXON	Balancing and Settlement Code (BSC)
Gemserv	iGT Uniform Network Code (IGT UNC) Master registration agreement (MRA) Smart Energy Code (SEC)
Joint Office of Gas Transporters	Uniform Network Code (UNC)
National Grid Electricity Transmission plc	Connection and Use of System Code (CUSC) Grid Code System Operator – Transmission Owner Code (STC)

Code users and Code Administrators developed the Code of Practice based on the principles that Code Administrators and code modification processes will:

- promote inclusive, accessible and effective consultation;
- be governed by processes that are transparent and easily understood;
- be administered in an impartial, objective and balanced manner;
- provide rigorous high quality analysis of any case for Modification;
- be cost effective;
- contain rules and processes that are sufficiently flexible to allow for efficient Modification management; and
- be delivered in a manner that avoids unnecessary regulatory burdens.

Section 1 - Sets out the Principles that apply to Code Administration.

Section 2 - Sets out the Principles that apply when changing the Codes and the common change ('Modification') process.

While this Code of Practice sets out the 12 high-level principles which Code Administrators are committed to following, to the extent that they are relevant, Code Administrators must comply with the relevant code and associated licences. Where inconsistencies or conflicts exist between the relevant codes and this Code of Practice, the relevant code shall take precedence, though it is anticipated that licensees and other code parties will take all reasonable steps to ensure the two are aligned.

Where the Code of Practice sets out a finer level of detail for each principle, and provides accompanying process and document templates, this should be considered as current practice which the user must have regard to but does not preclude alternative and innovative approaches.

Section 1 - Code Administration

Principle 1

Code Administrators shall be critical friends

A 'critical friend' is a Code Administrator who provides support to all with an interest in the code Modification process, but paying particular attention to under-represented parties, small market participants and consumer representatives by:

- Helping users effectively frame and develop Modifications;
- Proactively reviewing and commenting on draft Modifications;
- Ensuring people are available to discuss issues and Modifications with all interested parties;
- Providing easily accessible education on its code Modification process;
- Ensuring users understand the minimum requirements for Modifications to be progressed;
- Ensuring that:
    - unsubstantiated assumptions or assertions do not go unchallenged;
    - all arguments for and against a Modification are adequately discussed at Workgroup and Panel level and reflected in Modification documents; and
    - previous discussions or decisions that may be relevant to the Modification being considered are highlighted.
- Providing input into the terms of reference set by the Panel and the Workgroup's analysis, taking into account for example, any feedback on the quality of analysis provided in relation to previous reports or relevant views expressed by Ofgem;
- Remaining impartial;
- Encouraging participation in code modification processes;
- Contacting relevant market participants/consumer representatives that have indicated they wish to be contacted when a Modification raises issues that may impact on their group;

- Contacting other Code Administrators if a Modification may affect them (directly or indirectly);

- Ensuring that small market participant/consumer representatives viewpoints can be articulated and debated at Workgroup and Panel meetings and that other Workgroup members or panellists do not seek to stifle or prevent such debate;

- Holding teleconference rather than 'face to face' meetings if this is more convenient for those that wish to participate, including smaller market participants;

- Scheduling meetings that enable market participants to obtain updates on all relevant code Modifications at one meeting;

- Raising Modification issues that are relevant to small market participants who are not otherwise represented at appropriate industry meetings;

- Improving websites, potentially with the inclusion of web-based forums, to provide easy access to information on code Modifications;

- Ensuring that, if known, the views of small market participants/consumer representatives are effectively articulated in Workgroup and code Modification reports and that impacts on small market participants/consumers are specifically described;

- Responding quickly to requests for information and support.

Principle 2

Documentation published by Code Administrators shall be in clear English

Documents produced by Code Administrators need to be understood by a broad range of users. As users will have a varied level of understanding and background to each code, documents will be clearly written. To achieve clearer reporting:

- It will be clear what the purpose of the document is (i.e. for information, for consultation);
- All Modification documents will contain a high level, plain English summary;
- Technical language and use of too many acronyms will be avoided, unless their use is appropriate, with a supporting glossary being provided when appropriate;
- Codes will use a consistent structure for Modification related documents, with consistent templates and contents.

Principle 3

Information will be promptly and publicly available to users

Information produced by Code Administrators will be easily accessible to users through a number of channels. Users expect that:

- Code Administrators will be transparent in their processes and services;
- Code Administrators will make all non-confidential information available;
- Information will be available through various common communication channels:
    - Public websites;
    - Email;
    - Regular industry forums.
- Code Administrators will contact relevant industry trade organisations and other Code Administrators if they are likely to be impacted by a Modification;
- Websites will have good navigation;
- Code Administrator contact information will be readily available;
- Information will be published in a timely manner;
- Meeting dates for code Modification Workgroups and other meetings will be notified to users well in advance and meetings will be held a reasonable period of time after the Panel has agreed the Workgroup Terms of Reference.

Principle 4

This Code of Practice will be reviewed periodically and subject to amendment by users

It is envisaged that this Code of Practice will be reviewed at least annually by a group specifically convened for that purpose, who have adopted this Code of Practice and users of those Codes. To achieve this principle:

- Code Administrators who have adopted this Code of Practice shall meet from time to time to discuss how the principles in this Code of Practice are being achieved, the results of KPI reporting and to share best practice;
- Any Code Administrator or user can suggest an amendment to this Code of practice, suggested amendments will be discussed at the next meeting of the relevant group;
- Any amendments to the Code of Practice will be consulted upon with all Code Administrators and users;
- Revisions to the Code of Practice will be subject to the approval of Ofgem and revised versions will be published on its website.

Section 2 - The Modification Process

Principle 5

Code Administrators shall support processes which enable users to access a 'pre-Modification' process to discuss and develop Modifications

Code Administrators will encourage industry debate and support in shaping solutions. Mechanisms will:

- Be accessible to all through use of open forums;
- Be arranged sufficiently regularly to respond to user needs;
- Be planned to avoid conflicts, supported by website diaries;
- Notices, agendas, papers, presentations and minutes of these meetings will be placed on the Code Administrator's website as early as practicable;
- Be actively supported through Code Administrators facilitating and advising users on issues;
- Encourage industry input to providing solutions and advising on how resolution can be achieved and delivered.

Principle 6

A proposer of a Modification will retain ownership of the detail of their solution

To ensure that a Modification is developed in the way that the proposer intends, the proposer will keep control over the detail of their solution. Other individuals or Workgroups cannot amend the Modification. To give effect to this principle:

- Only a proposer can amend their Modification; where an element of the solution is silent, only the proposer will be permitted to amend the solution to improve its clarity;
- Workgroups will assist the proposer in designing and assessing their solution, advising on any issues but not changing the solution unless the proposer agrees;
- Workgroups will ensure the original solution is fully developed but may also develop alternative 'solutions', which may then be progressed in accordance with Principle 7;
- The proposer will have a right to withdraw its Modification before the code Panel has made a recommendation on whether the Modification should be implemented;
- Before it is consulted on, the proposer will have a right to discuss the legal text of a Modification with those producing the text;
- Any user, who has a right to raise a Modification, has the right to adopt a Modification that has been withdrawn by the original proposer (in this instance the 'owner' rights are transferred in full);
- Other than the Modification itself, Code Administrators will manage the process and documentation on behalf of the industry once a Modification has been raised, ensuring that all views are captured and there is consistency of approach to reporting.

Principle 7

Code Administrators will facilitate alternative solutions to issues being developed to the same degree as an original solution

Any process for considering a suggested Modification to a code will allow for alternative solutions to be developed and fully assessed during the Modification lifecycle. To ensure this happens:

- Other than the proposer of the Modification, any user who has a right to raise a Modification will be allowed to propose an alternative solution;
- Alternative proposals shall be raised prior to or during the workgroup stage;
- Subject to timing and ownership there shall be no restriction on the number of alternative proposals that can be raised. Each alternative solution will be assessed with the same rigour as the proposed solution.

Principle 8

Estimates of implementation costs to central systems will be produced and consulted upon prior to a Modification being recommended for approval

To allow users to fully understand and assess the impact of a Modification, the default position will be that cost information will always be developed in time to allow for consultation. However there will be an exception process that allows for agreement not to develop costs in order to prevent unnecessary delay and assessment cost. To achieve this principle:

- The Code Administrators will seek to ensure cost information is produced in time to be issued for consultation;
- Code panels can agree that cost information may not be produced in certain circumstances;
- Code Administrators will seek to ensure that cost information is produced in a consistent style;
- Users will be encouraged to provide an indication of their own costs of implementing the proposal, albeit this may be directly to Ofgem in the case of commercially sensitive information;
- Lessons learnt will be captured and shared where actual costs prove to be significantly different (either higher or lower) to the estimates.

Principle 9

Legal text will be produced and consulted upon prior to a Modification being recommended for approval

To allow users to fully understand and assess the impact of a Modification, the default position will be that legal drafting will always be developed in time to allow for consultation. To achieve this principle:

- The Code Administrators will seek to ensure legal text is produced in time to be issued for consultation;
- The Code Administrators will seek to ensure legal text is produced in time for Panel consideration of Fast-Track Self-Governance Modifications;
- Code panels may, by exception, agree that legal text may not be produced in certain circumstances, including where the proposer has produced suggested text as part of the Modification;
- Code panels can agree to minor corrections to legal text at the time of making its final recommendation;
- If the Panel determines that changes to the legal text are appropriate, but considers that they cannot reasonably be considered to be minor, they may instruct the Code Administrator to carry out a further consultation on that revised text;
- Code Administrators will seek to ensure that legal text is produced in a consistent style and that the legal text accurately implements the intent of the Modification.

Principle 10

Modifications will be consulted upon and easily accessible to users, who will be given reasonable time to respond

All Modifications (with the exception of Fast-Track Self-Governance Modifications) will have a consultation process that allows sufficient time for users to digest the information and provide a considered response. Code Administrators will facilitate this process by ensuring users are notified of consultations as soon as reasonably practicable and have easy access to all the relevant information. To achieve this principle:

- The consultation time set by code panels will take account of the complexity of the issue being considered, the timetable for the Modification and the potential impact on user resource from other cross industry business but, in the absence of other considerations, a standard 15 business day period will apply;
- All views on the consultation will be captured and reflected in any discussions and reporting;
- Consultations will be open to all, not just direct code users;
- Notice of consultations will be distributed broadly using all normal communication channels;
- Any urgent Modification will include a minimum five business day consultation period (if possible);
- A consultation will have a clear mechanism for responding:
    - Contact information for queries regarding the consultation will be provided;
    - A template response form will be available for all consultation documents; and
    - The template will contain information on how a participant can respond.

Principle 11

There will be flexibility for implementation, to allow proportionate delivery time and realisation of benefits

Implementation of Modifications will be timely to allow the benefits of a Modification to be achieved as soon as practical. Implementation dates will allow sufficient time for all who are impacted, including the decision making body, to make necessary preparations. To achieve this principle:

- Implementation approaches will form part of the Modification consultation;
- Options for Implementation will be provided, where possible;
- Code panels will be aware of the arguments for and against allowing retrospective Modifications and be mindful of previous decisions of the relevant body responsible for making the final decision;
- There will be a consent process and/or Fast-Track Self-Governance process to allow for housekeeping changes to be progressed and implemented in a timely manner and without incurring unnecessary cost and administration;
- There will be an urgent process to ensure that urgent changes to a code can be progressed without undue procedural barriers. The urgent process will allow for the Authority, after taking advice from the relevant panel, to instruct a Modification to be progressed by deviating from any part of the normal Modification process[1].

[1] Ofgem has published criteria to determine whether or not urgency is appropriate, see www.ofgem.gov.uk

Principle 12

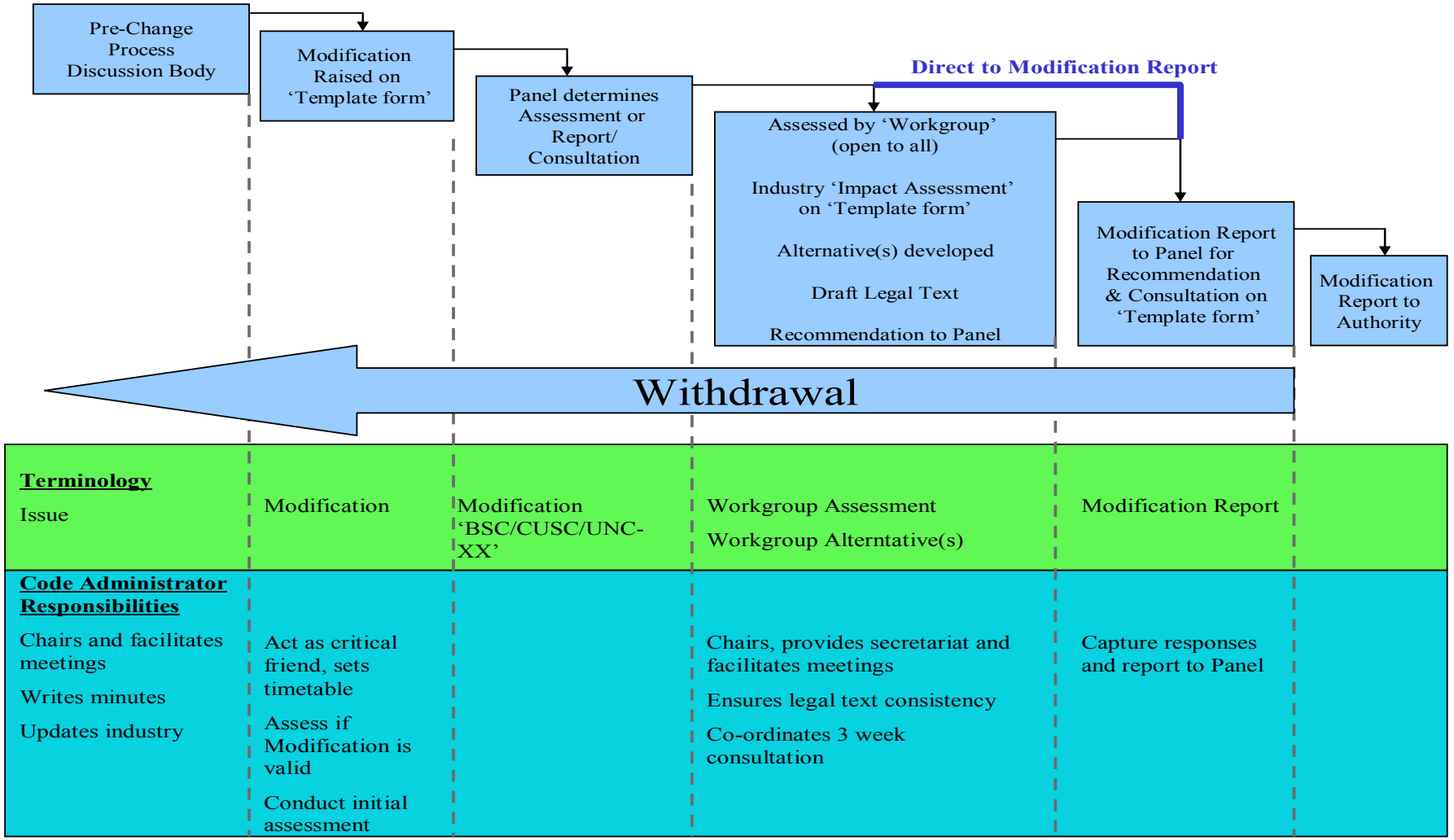
The Code Administrators will annually report on Key performance Indicators (KPIs)

In order to assess how effectively the Code Administrators are discharging the roles and responsibilities captured within the principles of this Code of Practice and the effectiveness of the change management process more generally, the Code Administrators will report on a series of qualitative and quantitative measures, which will include the views of recipients of the service. To achieve this principle:

- The Code Administrators may jointly or independently appoint a third party to undertake a customer survey;
- The Code Administrators may take advice from relevant experts on the final wording to be used in any customer survey;
- The results of the KPI reporting and, to the extent it is separate, any customer survey, will feed into any periodic review conducted in line with Principle 4;
- The KPIs that the Code Administrators will report on will include, but not be restricted to, the following:

Activity	Measure
Qualitative measures:	
Critical Friend	Number and percentage of survey respondents who stated they were 'satisfied' or better with the assistance offered by the CA
Effective communication	Glossary and plain English summary to be provided with reports
Quantitative measures:	
Quality of assessment	Number of reports 'sent back' by the Authority
	Number and percentage of final decisions on which the Authority's assessment: i) accords with the panel recommendation against the relevant objectives ii) conflicts with the panel recommendation owing to wider statutory considerations
Effective communication	Average number of respondents to consultation
Efficient administration	Percentage of papers published outside of modification rules requirements
	Number and percentage of reports submitted to the authority in line with original timetable
	Number of extensions to timetable requested
	Average time between (non-urgent) proposal being raised and submitted for decision
	Average time between proposal being submitted for decision and decision being published
	Average time between decision and implementation (separately identifying systems and non-system changes)
Implementation costs	Number and percentage of reports for which implementation cost estimates were available for consultation
	Accuracy percentage difference (whether higher or lower) between estimated and actual implementation costs

Common Modification Process



Pre Change Process

A pre-change process will allow any interested party to raise an issue. Code Administrators will facilitate issues being raised and recorded, and will ensure that forums are available for views to be exchanged on the issue. Industry forums will assist in framing the issue and defining possible Modifications.

Modification Raised

Parties entitled to do so may submit a proposed Modification to the Code Administrator at any time. Modifications should be submitted on the template provided and will be allocated a unique identifier. Code Administrators will give notice that a Modification has been raised and will add the Modification to the next code panel agenda. Modifications received prior to a panel meeting but after the agenda has been issued may be considered by the panel at short notice.

Panel Consideration

The code panel will decide whether a Modification should be further developed and assessed, or if it is sufficiently clear and complete for the consultation process to commence, or Fast Track Self Governance if it should be implemented. The panel may set terms of reference for the development and assessment of a Modification, together with a timetable. The proposer will be entitled to attend the panel meeting and set out the case for change together with their views on the appropriate process and timetable.

Industry Consideration

Code Administrators will facilitate impartial industry development and assessment of all Modifications. While only the proposer may change the Modification, the Code Administrator will be responsible for completing the remainder of the Modification Report template, ensuring that all views are captured and given equal weight.

If alternative solutions are put forward, Code Administrators will incorporate these within the template. A single document will be compiled by the Code Administrator covering the original Modification and all alternatives, although only the proposers of both the original and each alternative will be entitled to alter their Modification.

Completed Modification documents will include the Workgroup's recommendation to the code panel, which will set out suggested next steps and may include an implementation recommendation.

Report to Panel

The Modification template completed by the Code Administrator will form the report to the panel. The panel will consider whether further development and assessment is necessary or if the Modification can be issued for consultation. The proposer will be entitled to attend the panel meeting and put forward views on the appropriate way forward. The panel may also decide whether to recommend implementation of the Modification. Panels will decide the appropriate length for a consultation process, with fifteen business days being the normal period. Panels may ask specific questions on which views would be particularly welcome.

Consultation

Code Administrators will issue Modifications for consultation as soon as possible following a Panel decision, clearly indicating the date by which views are sought, and where responses should be sent. All documents supporting the consultation will be freely available to any interested party. Code administrators will ensure small market participants are aware of relevant consultations.

Panel Recommendation

Code administrators will update the Modification Report to reflect consultation responses. Modification proposers will be entitled to attend and speak at panel meetings. Panels will consider whether further assessment and development of the Modification is necessary, and may set terms of reference for any additional industry consideration.

If satisfied that the Modification has been sufficiently analysed and developed, the Panel will decide whether to recommend that the Modification be implemented.

Implementation

Code Administrators will record the panel recommendation in the Modification Report and send it to Ofgem for decision.

As soon as reasonably practicable following an Ofgem decision, or the panel decision if self governance applies, the Code Administrator will issue a notice of implementation (or rejection) indicating the implementation date. Code Administrators will publish the updated code with the revised legal text.

Modification Process Timetable

The time taken to complete the Modification process varies. In general, it should be anticipated that a year could be needed between a Modification

being raised and implemented. An indicative timetable from a Modification being raised to a decision being issued by Ofgem is:

	Process	**Action**	**Timescale**
1.	Modification Raised	Code Administrator publishes Modification	One business day
2.	Panel Agenda Issued	Modifications should be received at least eight business days ahead of meeting if to be included on Agenda	Eight business days
3.	Panel Consideration	Panel decide whether to issue Modification to consultation or if assessment and development is necessary, or to be implemented via Fast Track Self Governance.	One business day
4.	Industry Assessment and Development	Debate at Workgroups. Development of business rules. Consideration of legal text.	Three to Six months
5.	Panel Consideration	Panel decide whether to issue Modification to consultation or if further assessment and development is necessary	One business day
6.	Industry Consultation	Code Administrator issues Modification Report and invites views	Fifteen business days
7.	Panel Recommendation	Panel consider Modification in light of responses received and decides whether to support implementation	One business day
8.	Ofgem decision	Ofgem decide whether or not Modification is to be implemented	Five weeks
9.	Implementation	Code Administrator issues implementation notice and updates code. Industry systems prepared for change.	Less than one month if no system changes are required Several months if system changes are

			required

Appendix A: List of Code Administrators and contacts

Code	Acronym	Code Administrator	Industry sector	Modification Contact	Website
Balancing and Settlement Code	BSC	ELEXON	Electricity	elexon.change@elexon.co.uk 020 7380 4100	www.elexon.co.uk
Connection and Use of System Code	CUSC	National Grid Electricity Transmission plc	Electricity	CUSC.team@nationalgrid.com	www.nationalgrid.com/uk/Electricity/Codes/
Distribution Code	DCode	Energy Network Association	Electricity	david.spillett@energynetworks.org 020 7706 5124	www.dcode.org.uk
Distribution Connection Use of System Agreement	DCUSA	ElectraLink	Electricity	dcusa@electralink.co.uk Michael Walls, 0207 432 3017,	www.dcusa.co.uk
Grid Code	Grid Code	National Grid Electricity Transmission plc	Electricity	grid.code@nationalgrid.com	www.nationalgrid.com/uk/Electricity/Codes/
iGT Uniform Network Code	iGT UNC	Gemserv Ltd	Gas	iGTUNC@gemserv.com Modification Contact – Paul Rocke (iGT UNC Representative) Telephone – 020 7090 1044	www.igt-unc.co.uk/
Master Registration	MRA	Gemserv Ltd	Electricity	helpdesk@gemserv.com	www.MRASCO.com

Agreement				Tel: +44 (0)20 7090 1029	
Smart Energy Code	SEC	Gemserv Ltd	Gas/Electricity	SECAS Helpdesk: 020 7090 7755 email: SECAS@gemserv.com	www.gemserv.com
Supply Point Administration Agreement	SPAA	ElectraLink	Gas	Beth Brown Telephone 0207 4323005	www.SPAA.co.uk
System Operator – Transmission Owner Code	STC	National Grid Electricity Transmission plc	Electricity	stc.team@nationalgrid.com	www.nationalgrid.com/uk/Electricity/Codes/
Uniform Network Code	UNC	Joint Office of Gas Transporters	Gas	enquiries@gasgovernance.co.uk 0121 2882107	www.gasgovernance.co.uk

Any Party wishing to amend this Code of Practice can contact one of the Code Administrators above.

Appendix B: Modification Templates

Contact relevant Code Administrator for more information on Modification Templates.