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Dear Marion,

**British Gas response to Ofgem's Consultation on code administration reporting metrics and performance surveys**

Thank you for the opportunity to respond to Ofgem's above consultation.

We support the ongoing evolution of code governance arrangements and greater transparency of code administrator performance. We welcome the review of quantitative metrics and the proposed revised approach to the performance surveys.

*Quantitative Metrics*

We welcome arrangements that seek to introduce greater clarity and consistency of reporting metrics within the CACoP. Each of the code arrangements have varying volumes of change activity, therefore direct comparison of metrics may be difficult. Metrics such as the number of modifications raised or the volume of proposals submitted to the Authority, are more likely to be useful statistical data rather than enable performance comparison. The length of time modification proposals sometime take to develop; and the resource/cost that this involves, is a more pressing issue that could be explored via revised metrics.

*Performance Surveys*

We agree that it would be more efficient for a single body to conduct performance surveys on behalf of all code administrators. This approach will enable code parties to take a more structured approach to preparing their responses and be able to provide a direct comparison of code administrator approach and performance. To ensure that code parties are encouraged to take part in performance surveys, the process should be designed to be easy

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to engage with and complete. Whilst important, sometimes the completion of multiple surveys can become less of a priority for suppliers, particularly against the backdrop of an increasingly busy industry change environment.

Our detailed responses to Ofgem's questions are attached in the Appendix. Please do not hesitate to contact me if you require any further detail on our response.

Yours sincerely,

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*Question 1: Do you agree that the metrics set out in Appendix 1 will provide a useful set of data?*

The proposed metrics will provide a statistical view of volume and process, rather than information that will enable meaningful performance comparators across codes. We propose that additional focus should be placed upon the length of time modification proposals take to progress through the end to end process, particularly where they have not met timelines originally specified by code panels. Information could also be captured assessing why specific modifications took longer than originally expected, to identify any deficiencies in the process.

Comments specific to the proposed metrics:

- Metric 8 & 13 – ideally these would need to be reported against a total figure for the period to provide context.
- Metric 14 – the provision of cost estimates are the responsibility of the delivery body rather than the code administrator, therefore any deviance between the estimated costs versus actual, is not assessing the effectiveness of the code administrator. It may also be informative to include the number of modifications implemented that have no central system and code costs, to provide an overall view.

Where a code may have multiple change processes e.g. SPAA where in addition to the standard change process, there are additional processes for MAMCoP and MDD changes, clarification would be useful to as to whether metrics for each of these processes should be provided separately.

*Question 2: Are there any other data that you consider should be reported on by the code administrators?*

As discussed above, the issue of time taken to progress a modification and the associated resources and costs involved, is an ongoing issue for suppliers. We therefore recommend the introduction of suitable metrics in this area, which could possibly also extend to the number of meetings that have taken place to facilitate development of the proposal, along with the levels of industry engagement. There are many occasions where lack of early engagement facilitates delays further along the process. Each additional meeting results in additional costs to the consumer and delays the point from which any benefits can be realised.

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*Question 3: Is there any additional guidance that is required such that the data provided is consistent across all code administrators?*

To ensure that there is consistency of application across all code administrators, Ofgem will need to ensure that all impacted parties have a common understanding of the reporting requirements. Where code administrators believe that additional guidance is required to aid consistent completion of the metrics, this should be provided.

*Question 4: Do you think there are any reasons why the code administrators should not continue to pay for the survey?*

We support the use of a single body to undertake one survey on behalf of all codes. We believe that code administrators should continue to pay for the survey, as their respective budgets will already have a provision for undertaking an annual survey, though the costs will vary by code dependent upon the solution they utilise.

*Question 5: Which of the options set out in this document do you consider is the most appropriate way to fund the independent survey between the code administrators?*

We believe that funding of the independent survey should not be overly complex. Option 1 appears to provide a sensible, simplistic approach, allowing the total cost of the survey to be split equally between the administrators of the 11 codes listed. As each code will benefit from the arrangements, all code administrators should be required to share the funding requirements.

*Question 6: Are there any alternatives to the options set out in this document of dividing the costs between the code administrators that you would favour?*

No, as per our response to Question 5, we recommend the simplistic approach detailed under Option 1.