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27 April 2016

Dear Lesley,

**Joint Office response to the consultation on code administration Reporting Metrics
and Performance Surveys**

Thank you for the opportunity to comment on Ofgem's proposals for code administration
metrics and surveys. Please find below the Joint Office (JO) views on the points you raise, on
the basis that this letter contains the opinions of the JO only.

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

JO comments: The JO has been an active contributor during the development of the metrics
set out in Appendix 1 and we are largely happy that they represent a balanced view of the
performance of code administration activities. We note, however, that this should not be
confused with the performance of the code administrator because:

i.   Under a Proposer-owned modification regime, the progress (or lack of) a workgroup's
      assessment is to a large degree controlled by the actions of parties not in the direct
      control of the JO.
ii.   Some of the metrics refer to activities not performed by the JO, namely; Code
      accession (measure 9) and systems delivery costs accuracy (measure 14).

Whilst we can acquire data from Xoserve for the items identified in ii. above, we do not
believe that measure 14 should be included. Systems delivery is not a code administration
function, since the UNC sets out the rights and obligations for parties and not how these are
expedited. Rather than act as a 'postbox' for another's data, we believe that Ofgem should
request this directly from source and we note that there is an opportunity to include this as
part of the development of the new Data Services Contract under UNC 0565.

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

JO comments: We have not identified any other data items at this point.

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

JO comments: We believe we are largely able, subject to the concerns about measures 9
and 14 mentioned above, to produce timely reporting against these metrics. In addition, we
would appreciate additional clarity on the following points:

- For consistency, and to avoid potential double-counting, we believe references to

"Authority Consent" in measures 1, 5, 8 and 13 should be "Authority Consent – non-urgent".

- We believe the principle applied in measure 1 about Alternates (being counted once) also applies to 5, since a modification and an Alternate being consulted upon simultaneously is really a single consultation.
- The UNC allows for 'enabling modifications' to be used as a proxy for consultations relating to changes to non-Code industry agreements such as Network Entry Agreements (see UNC0561S / UNC0581S). In such cases no legal text is produced and we think such enabling modifications should be excluded from measure 8 as they would distort the information.
- We have some concerns that measure 10 can be open to interpretation; we assume this is meant to include only those times critical friend assistance has been provided (and not the miscellaneous queries and questions we receive as a matter of course). Ofgem might wish to clarify its' thinking here.
- We would like to understand why there is a split of respondents to Authority Consent and Self Governance consultations as per measures 11 and 12. This appears to us to be an artificial differentiation and we do not understand why there would, in reality, be a difference. In particular, at this stage in the modification process, the governance is not finalised and modifications can revert from Self Governance to Authority Consent (or vice-versa) based upon industry views in responses.

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

JO comments: The JO supports the principle of customer surveys, but delivered in a proportionate manner. We have an online survey available throughout the year with snapshots of the position taken quarterly. In practice our emails carry a link to the latest live survey, and we prompt responses towards the end of the quarter. We believe this is proportionate (industry colleagues are very busy, as evidenced by the relatively low response rate), cost-effective (we spend just a few hundred pounds per annum) and focused on the facilities/activities we provide.

We would also observe that customer feedback comes in many forms outside of the survey as part of normal business relationships, and we do not see this changing significantly as a result of Ofgem's proposal.

We note that Ofgem proposes to commission a piece of work to actively seek customer views and costing of the order of £50,000-£100,000. We disagree with Ofgem's view that this is not significant; it is several orders of magnitude higher than our existing costs and will ultimately be borne by consumers. We do not believe there is corresponding additional value to be gained from the proposal and we would not wish to see this proceed as proposed.

We believe that consideration should be given instead to an intermediate position to understand if this is a value-adding piece of work in this sector. For instance, we would be happy to work with other code administrators to develop a single online survey that is capable of producing most of the benefits an expensive external expert would provide. It would seem to us to be a fairly straightforward exercise; it could feature consistent questions, allow single input sessions, allocate views against specific code administrators and produce a single output report.

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?

JO comments: We have no strong feelings about funding arrangements; each one has advantages and disadvantages. Our preferred option would involve some form of sharing mechanism across all codes, as opposed to all code administrators (option 1).

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?

JO comments: We have not identified any other relevant funding mechanisms.

I hope I have addressed adequately the specific questions you have asked. Please do not hesitate to contact me on 07909 686661 if you would like to discuss anything in this letter.

Yours sincerely,

Les Jenkins *(via email)*

Chief Executive, Joint Office of Gas Transporters