

Marion Quinn
Industry Codes & Licensing
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Dear Marion,

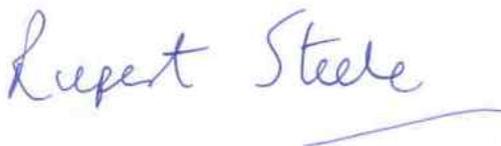
Code Administration Reporting Metrics and Performance Surveys

Thank you for the opportunity to respond to this consultation. Our responses to the specific questions raised are set out in the annex to this letter. We are broadly supportive of Ofgem's proposals; our views on the main areas of this consultation are as follows:

- **Code Reporting Metrics** – We support the broad thrust of these proposals to consolidate and improve the metrics currently reported under the code Administration Code of Practice (CACoP). Our general view is that these metrics provide a good insight into the level of activity around each code. This may well be useful, but it may not in itself indicate much about each code administrator's performance. We think that some of the metrics may need to be replaced or supplemented by measures that reflect activities that are more clearly within the control of the code administrator and ones where they can add value, to provide a more meaningful measure of their performance.
- **Performance Surveys** – we are supportive of Ofgem's proposals and agree that a central, independent survey across the codes should provide more meaningful insight into the relative performance of the code administrators. We would support any proposal that recovers the cost of the survey in a proportionate manner across the codes concerned.

Please contact me if you have any questions on any of the matters raised in our response.

Yours sincerely,



Rupert Steele
Director of Regulation

**CODE ADMINISTRATION REPORTING METRICS AND PERFORMANCE SURVEYS
SCOTTISHPOWER RESPONSE**

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

We believe the metrics proposed, which consolidate those currently reported by code administrators (CAs) under the CACoP, are useful as an indication of the volume of activity in relation to each code. We believe the metrics reflect the overall performance of all stakeholders but not solely code administrators themselves. For example the number of modifications raised is arguably driven by code parties and Ofgem, and implementation is largely down to code delivery bodies which may be separate to the CA. Whilst conclusion of consultations and submission of modification reports may be code administration activities, the associated deadlines are often determined by other parties, eg modification proposers, Ofgem etc. Activities such as system change implementation and associated cost estimation are typically undertaken by code delivery bodies which may be a separate entity to the CA, eg Xoserve.

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

At present we believe Ofgem's proposals to consolidate existing metrics reported under the CACoP are proportionate. As we note in response to Question 1, these metrics are useful indicators of aggregate activity but do not relate directly to CA performance. If Ofgem is looking to develop metrics that are more directly aligned to CA performance, it may be helpful to refine or supplement the metrics to reflect activities that CAs influence directly and add value to. For example, as well as monitoring the number of new signatories to a code, it may be useful to look at the proportion of enquiries from new entrants that lead to code accession. Similarly, it could be useful to measure how much assistance CAs provide to code parties in raising modifications.

Question 3: Is additional guidance required such that the data is reported consistently across the code administrators?

We have not identified additional guidance requirements at present.

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

No, it seems appropriate for the costs of the surveys to be recovered from code parties via the relevant CA, on the basis that the code parties benefit from improved performance of their CA.

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 think option 5 represents the most proportionate method for recovering the costs across the codes,¹ to the extent that the CA's budget is a reasonable proxy for the value of the services it provides.

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?

Some of the functions of electricity CAs are in the case of gas handled by Xoserve. Therefore, to get the correct balance of cost allocation between electricity and gas for options 4 and 5, it may be appropriate for some of Xoserve's budget to be included in the calculation, for example those parts relating administration of the UNC, IGT and SPAA. That said, when the survey is applied to the Joint Office and the SPAA, it would be useful to distinguish areas of performance that are the responsibility of Xoserve.

¹ Under option 5, the total cost of the survey is split in such a way that each code administrator pays an amount in proportion to its current overall budget in respect of its code administration function.