

Smell gas?

Call the National Gas Emergency Service
on 0800 111 999

Rachel Clark
Ofgem
Switching Programme

Email: switchingprogramme@ofgem.gov.uk

23 February 2021

Dear Rachel,

Re: The Retail Energy Code – proposals for version 2.0

Thank you for the opportunity to provide representation on the above noted proposal. Northern Gas Networks has been actively involved in discussions, and has been continually monitoring proposed changes to the Retail Energy Code. We have set out our responses the specific question in the consultation in Appendix 1.

The main points we would like to highlight from our consultation responses are:

Whilst we support the principles of the Cross Code Steering Group we feel that, as drafted, the suggested legal text introduces potential governance issues within the existing codes, and have therefore included suggested legal text drafting principles relating to the process for modifications raised under this Group.

There are a number of principles introduced into gas by the Unbilled Energy Code of Practice, that seem in conflict with our existing, and RII02 licence obligations. There appears to be a number of principles that exist in electricity being replicated into gas where for varying reasons, including the added layer of Shippers, these are not suitable and cannot be replicated within gas. We have provided a change marked version of the Unbilled Energy Code of Practice, along with commentary as a separate, **confidential**, appendix to this letter.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)
Market Services Manager (Industry Codes)
Mobile: 07580 215743



we are
the network


Northern Gas Networks Limited is registered in England and Wales, no. 5167070.
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Appendix 1
Consultation questions and responses.

REC v2.0 Schedules

Question 2.1: Do you agree with our proposed approach to information security and data protection assessment under the REC? In particular, do you agree with the requirement for all REC Service Users to notify the Code Manager of a security breach?

Whilst, as a Gas Transporter, we are not a party covered by a number of clauses within the Qualification and Maintenance Schedule, the general conditions seems reasonable. We agree that any security breach that could compromise the security or integrity of the REC Service or other Service users should be reported, and that the REC Code Manager should determine the relevant course of action under REC.

Paragraph 12.1(a) needs to be amended to '*any security breaches as per 11.7*' to limit this to only breaches that could impact the REC systems or users.

Question 2.2: Do you agree with our proposal to extend entry qualifications to new gas MEMs? If not, please explain why.

As Metering Equipment Managers are to be users of the REC, it seems logical to ensure consistency of approach for parties directly involved in metering and meter relevant services.

Question 2.3: Do you agree that the change effected by MAP CP 0338 should apply equally to gas?

As a Gas Transporters we are not a party covered by the Prepayment Schedule, where changes relating to MAP CP0338 are included. Therefore whilst, we do not feel fully qualified to comment, we do acknowledge that mandating for an incoming supplier to acquire the Unique Transfer Reference Number direct from the DCC, rather than the outgoing supply for Gas, as well as Electricity seems to improve this process.

Question 2.4: Do you agree that the clarification on the applicability of the schedule to non-domestic suppliers sufficiently gives regard to non-domestic suppliers who do not serve prepayment customers?

Gas Transporters are not a party covered by this schedule, and we do not feel qualified nor able to comment.

Question 2.5: Do you agree that the approach and processes for gas unregistered sites should be standardised, as set out in the Unbilled Energy Code of Practice?

We have provided views in relation to the most recently received draft of the Unbilled Energy Code of Practice, as well as a change marked version of the document to Jon Dixon. A copy of this communication is attached as Appendix 2, please note that as the content of this document is confidential, we are marking Appendix 2 as confidential and not to be published along with the rest of this response.

Question 2.6: Do you agree that the REC should make provisions for the PAB to consider the case for reconciliation of data held by PPMIPs and CDSP for the purpose of identifying unregistered sites? If so, do you agree that this process should sit in the Unbilled Energy Code of Practice?

If the process is introduced as per the final proposal raised under SPAA SCP473 then the reconciliation of data help by PPMIPs and CDSP may enable some shipperless and unregistered sites to have the Supplier identified and encourage them to ensure that it is correctly registered with the relevant Shipper. This should improve settlement accuracy and reduce Unidentified Gas (UIG) and increase the identified sites ability to

benefit from the faster switching service. We agree that that this process seems to align with the intended outcomes of the Unbilled Energy Code of Practice, and therefore should sit as part of this schedule.

Question 2.7: Do you agree with the principle that a consumer should be no worse off by virtue of a theft investigation being undertaken by a network company rather than a supplier?

We have provided views in relation to the most recently received draft of the Unbilled Energy Code of Practice, as well as a change marked version of the document to Jon Dixon. A copy of this communication is attached as Appendix 2, please note that as the content of this document is confidential, we are marking Appendix 2 as confidential and not to be published along with the rest of this response.

Question 2.8: Do you agree that the requirements relating to provision of customer contact details should apply equally to non-domestic suppliers, as set out in the transfer of Consumer Data Schedule?

Due to the carve out under paragraph 1.10 which excludes consumers with an AQ of 732,000kwh and above, referencing that these are subject to arrangements under the UNC, we agree that it is correct that this schedule should also apply to non-domestic suppliers.

Question 2.9: Do you agree with our proposal to extend 'Gas use case 5: Payment of Guaranteed Standard of Performance Payments' to cover voluntary payments?

Both UNC and SPAA previously approved & implemented modification proposals, raised by Northern Gas Networks, to not only mandate for GSOP Payments to be made in a timely manner, but also for the process to include any consumer voluntary payments initiated by the Gas Transporter. The extension of Gas use case 5 would further facilitate Gas Transporter initiated voluntary payment, and we therefore support this proposal.

Question 2.10: What risks (if any) do you foresee in the transfer of processes associated with Commissioning, Complex Sites, Proving and Faults from BSCP514 to the REC Metering operations schedule?

Gas Transporters are not a party covered by this schedule, and we do not feel qualified nor able to comment.

Question 2.11: Do you agree that the requirement to comply with the BSC CoPs should be placed directly on MEMs in the REC? If not, please explain your reasons.

As a Gas Transporter we do not feel qualified nor able to comment.

Question 2.12: Do you agree that metering operations rules and processes in the REC could be assured by the BSC, particularly with regard to PARMS reporting and technical assurance audits, until the assurance function can transition to the REC? if not, please explain your reasons.

As a Gas Transporter we do not feel qualified nor able to comment.

Question 2.13: Do you agree that the information in the RGMA Baseline relation to exceptions should be out of scope of the mandatory schedule?

As a Gas Transporter we do not feel qualified nor able to comment.

Consequential Changes to Other Codes

Question 3.1: Do you agree that the proposed text to embed the Cross Code Steering Group will enable the intended improvements to cross code change .

Whilst we find that a number of improvements have been made since V1.1, including the limitation of raising of modifications in other codes no longer including all code managers, and being limited to REC and own code manager, we still have concerns around the interaction of modifications raised under the CCSP and code governance. We note that should a modification be approved or rejected under the lead code, then all related modifications raised in other codes are automatically approved or rejected. This bypasses the governance of other codes and would seem in conflict with each of these codes established modification rules. We believe that each modification should go through its own approval/rejection as per that codes process but on a timeline as agreed by the CCSG. This should allow all codes to feed back their recommendation and views before the lead code votes. Any instances where there is felt to be an adverse impact to another code, that results in the decision across all codes not being aligned, should then be passed to Ofgem for authority direction to be given for all codes. To assist in this, we have attached suggested legal text drafting principles for use by each code (appendix 3).

Technical Specification

Question 4.1: Do you agree with the assignment of Code Manager ownership (Metadata Owner) of each Energy Market Message within the “Annex D – Message Scenario Variant Catalogue”?

As a Gas Transporter this is not applicable to us.

Question 4.2: Do you agree with the classification of existing flow notes (including DTC Annex C) to either one of, a rule within the Data Specification, a Guidance Note (managed under the respective code, eg a REC level 3 document) or a process obligation (eg a rule within a REC Schedule / BCSP)?

As a Gas Transporter this is not applicable to us.

Question 4.3: Do you agree that the data items identified in ‘Redundant Data Items for Review’ spreadsheet should no longer be represented in the Data Specification as they are not associated to any Market Messages?

As a Gas Transporter this is not applicable to us.

Appendix 3

1. Cross Code Steering Group - Drafting Principles

- Code Administrators are obligated to inform the CCSG of any potential cross code impact once identified. The CCSG establish a Lead Code and inform the relevant Code Administrators of their decision.
- The Lead Code is obligated to create a plan of progression taking into account the views of the other Code Administrators. Code Administrators are obligated to use reasonable endeavours to follow the agreed timetable. Any delay in progress against the timetable must be reported to the Lead Code and CCSG. The CCSG members are responsible for sharing agreed timetables and relevant updates with the Industry Code Panels they represent.
- Where the CCSG determine a cross code impact, Code Administrators can raise Modifications to their own Code. In this circumstance Code Administrators are considered to be Proposers and will progress Modifications as such. This is important as it means the Code Administrators are responsible for driving the Modification forward and are not held accountable by Ofgem/CCSG for changes they cannot control.
- All Modifications that the CCSG determine have a cross code impact must have a Lead Code and that Lead Code shall produce a timetable as described above. This allows for the inclusion of Modifications raised by other bodies where cross code impacts are not identified until later in the process; rather than limiting the process to only changes where cross code impacts are identified from the outset and raised by Code Administrators.
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- Urgent modifications are permitted to be raised under the CCSG, these will need to be on an agreed timetable with the lead code collating and presenting all modification proposals to the Authority for decision on Urgency, and for the timetable to be set by the Authority.
- All Modifications that the CCSG determine have a cross code impact must be issued to the Authority for determination. This step removes any possible confusion or conflict over the determination of Modifications. Any changes will still be progressed as a suit of modifications coordinated and managed by the Lead Code and the CCSG. However, it provides a clear decision and appeals route based on established principles and processes. Ofgem have noted that they expect most changes which come via the CCSG to meet the criteria for Authority determined Modifications. Therefore, making such a step mandatory is not placing undue, or unforeseen, burden on the Authority and eliminates the complexity and issues with the current drafting.
 - Ofgem would need to amend the Self Governance rules to exclude items raised under the CCSG
- Code Administrators must inform the Lead Code and CCSG of recommendations being made to Ofgem by the appropriate code governing body.
- Modifications raised by the code administrators as instructed by the CCSG cannot have alternatives raised. It will be up to the code administrator, as proposer, to ensure parties views are taken into account whilst still achieving the CCSG objective, with the minimum overall direct, or consequential impact.