

## Code Administration Code of Practice KPIs Joint Office of Gas Transporters 2015 Q3 Report

As part of its energy Codes Governance Review (CGR), Ofgem proposed that a Code of Practice, (the CACoP) “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 with the CACoP itself, the latest copy of which can be found at:

<https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-administration-code-practice-cacop>

The Joint Office of Gas Transporters (Joint Office) are the Code Administrator for the Uniform Network Code (UNC), which contains the terms of transportation arrangements that are common to gas transporters in England, Scotland and Wales. All modifications referred to in this document are available on the Joint Office website at:

<http://www.gasgovernance.co.uk/mods>

Where the CACoP requires us to report an average figure (e.g. days or numbers of modifications), we have included median values to address the skewing effect of particularly large, or small, occurrences.

### Readers should be aware of the following when reading this document:

1. In compiling this document, we have reported on UNC Modifications that have completed their respective process cycles (Withdrawal, Panel Determination for Self Governance / Fast Track Modifications or Ofgem Decision otherwise) within the reporting period **01 July to 30 September 2015** (23 modifications) – see Appendix 2 for a full list.

| Self-Governance | Fast Track | Urgent | Modification | Withdrawn |
|-----------------|------------|--------|--------------|-----------|
| 5               | 3          | 1      | 12           | 2         |

For example, in assessing the information for KPI 10 there are currently several modifications for which a UNC Panel recommendation was made during Q3 2015, but an Ofgem decision is awaited – these modifications will be subsequently recorded when the decision is received.

2. To ensure that we accurately represent the lifecycle of UNC modifications, effective from 01 January 2015, we will report only once on a modification regardless of whether there are Variations. This removes any duplication occurring from modifications that become effectively withdrawn when they are superseded by a Varied Modification. Alternates are still shown separately.
3. Where a single Final Modification Report is produced for multiple modifications, such as Alternatives and common topics, the total number of representations received are apportioned across the individual modifications (see KPI 5)
4. Where a modification has been withdrawn by its Proposer, regardless of whether it is Fast-Track, Self-Governance or standard Modification, it is classed as ‘Withdrawn’.
5. Items 1 and 4 are not reported in the Quarterly Reports, only in the Annual Report.
6. Only calendar days are reported (i.e. not business days).
7. A quarterly comparison and year-to-date position is shown in Appendix 1.

*1. Number and percentage of survey respondents who stated they were 'satisfied' or better with the assistance offered by the code administrator*

n/a

*2. Number and percentage of reports 'sent' back by the Authority.*

In Q3 2015, the Authority sent back 1 report (14%):

|            |   |
|------------|---|
| 0501/A/B/C | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations |
|------------|---|

*3. Number and percentage of final decisions on which the Authority's assessment i) accords with the panel recommendation and ii) conflicts with the panel recommendation*

13 Ofgem decisions were issued, of which 10 (77%) accorded with the panel recommendation.

|                      |           | Ofgem Decision |        |
|----------------------|-----------|----------------|--------|
|                      |           | Implement      | Reject |
| Panel Recommendation | Implement | 7              | 3      |
|                      | Reject    | -              | 3      |

| Panel recommended implementation: Ofgem directed implementation |   |
|---|---|
| 0548  | Project Nexus - deferral of Implementation Date   |
| 0535  | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)     |
| 0525  | Enabling EU Compliant Interconnection Agreements  |
| 0510V   | Reform of Gas Allocation Regime at GB Interconnection Points  |
| 0502  | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point                |
| 0501V   | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations |
| 0498  | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point                    |

| Panel recommended implementation: Ofgem did not direct implementation |  |
|---|--|
| 0501CV  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime |
| 0501BV  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a restricted capacity return option                             |
| 0501AV  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including capacity return option  |

| Panel did not recommend implementation: Ofgem did not direct implementation |   |
|---|---|
| 0517B   | Review of the Supply Matching Merit Order in Setting Capacity Charges, Rolling Average to Reduce Volatility in Annual Charges |
| 0517A   | Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes                   |

|      |   |
|------|---|
| 0517 | Review of the Supply Matching Merit Order in Setting Capacity Charges |
|------|---|

**Panel did not recommend implementation: Ofgem directed implementation**

|  |      |
|--|------|
|  | None |
|--|------|

**4. Glossary and plain English summary to be provided with reports**

n/a

**5. Average number of respondents to consultation**

18 consultations on draft modification reports closed in the data sample. These attracted an average of 5 responses (minimum of 2 and maximum of 14) with a median of 4 responses.

|        |  |    |
|--------|--|----|
| 0548   | Project Nexus - deferral of Implementation Date  | 14 |
| 0502   | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point   | 8  |
| 0535   | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)  | 7  |
| 0498   | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point   | 7  |
| 0518S  | Shipper Verification of meter and address details following system meter removals  | 6  |
| 0510V  | Reform of Gas Allocation Regime at GB Interconnection Points   | 6  |
| 0552S  | UNC Section Y Housekeeping   | 4  |
| 0525   | Enabling EU Compliant Interconnection Agreements   | 4  |
| 0523S  | Supply Point Registration - Facilitation of 'faster switching' for Shared Meter Points   | 4  |
| 0517A  | Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes  | 4  |
| 0517   | Review of the Supply Matching Merit Order in Setting Capacity Charges  | 4  |
| 0501CV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime | 4  |
| 0501BV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a restricted capacity return option                             | 4  |
| 0501AV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including capacity return option  | 4  |
| 0546S  | Reduction of the Minimum Eligible Quantity (100,000kWh) for European IP capacity   | 3  |
| 0517B  | Review of the Supply Matching Merit Order in Setting Capacity Charges, Rolling Average to Reduce Volatility in Annual Charges  | 3  |
| 0501V  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations  | 3  |
| 0547S  | Corrections to the EID arising from implementation of Modifications 0493/0500  | 2  |

#### 6. Percentage of papers published outside of modification rules requirements

The modification rules specify requirements for the publication of modification panel papers, modifications, and modification reports. These have all been met (0% outside modification rules requirements).

#### 7. Number and percentage of reports submitted to the authority in line with original timetable

No timetable is set for when reports should be submitted to the Authority and hence we cannot report on this KPI as described. The modification panel sets a date by which each modification workgroup is requested to report.

During Q3 2015, workgroup reports were received by the panel for 7 modifications. 4 (57%) of these were received within the original requested timetable.

#### 8. Number of extensions to timetable requested

This KPI measures how the Workgroup assessment process is currently working and is therefore not restricted to modifications completing their cycle in this report.

At modification panel meetings held in Q3 2015, 12 requests for workgroup reporting timetables to be extended were accepted.

#### 9. Average time between (non-urgent) proposal being raised and submitted for decision

During Q3 2015, the modification panel determined 20 non-urgent modifications. These were considered, on average, 201 days after they were raised (minimum of 13 and maximum of 503 days) with a median of 177 days.

|        |   |     |
|--------|---|-----|
| 0498   | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point  | 503 |
| 0502   | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point  | 476 |
| 0510V  | Reform of Gas Allocation Regime at GB Interconnection Points  | 377 |
| 0501V  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations                                   | 325 |
| 0517   | Review of the Supply Matching Merit Order in Setting Capacity Charges   | 321 |
| 0518S  | Shipper Verification of meter and address details following system meter removals   | 258 |
| 0517A  | Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes                             | 252 |
| 0517B  | Review of the Supply Matching Merit Order in Setting Capacity Charges, Rolling Average to Reduce Volatility in Annual Charges           | 247 |
| 0501AV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including capacity return option | 242 |
| 0523S  | Supply Point Registration - Facilitation of 'faster switching' for Shared Meter Points  | 190 |

|        |  |     |
|--------|--|-----|
| 0501BV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a restricted capacity return option                             | 163 |
| 0525   | Enabling EU Compliant Interconnection Agreements   | 162 |
| 0501CV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime | 135 |
| 0535   | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)  | 104 |
| 0547S  | Corrections to the EID arising from implementation of Modifications 0493/0500  | 76  |
| 0546S  | Reduction of the Minimum Eligible Quantity (100,000kWh) for European IP capacity   | 76  |
| 0552S  | UNC Section Y Housekeeping   | 41  |
| 0540FT | Amendment to TPD Section G2.15   | 36  |
| 0554FT | Gender-neutral terms within the UNC  | 22  |
| 0556FT | Amendment to the Legal Text provided for "Modification 0548 Project Nexus - deferral of Implementation Date"   | 13  |

*10. Average time between proposal being submitted for decision and decision being published*

This KPI disregards self-governance and fast track modifications but measures the number of days between the Final Modification Report being issued to Ofgem and the date of a decision letter by Ofgem. During Q3 2015, 13 decisions were received from Ofgem. On average, these were received after 59 days (in the range 8 to 120 days) with a median of 36 days.

|        |  |     |
|--------|--|-----|
| 0501CV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime | 120 |
| 0501BV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a restricted capacity return option                             | 120 |
| 0501AV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including capacity return option  | 120 |
| 0501V  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations  | 120 |
| 0517B  | Review of the Supply Matching Merit Order in Setting Capacity Charges, Rolling Average to Reduce Volatility in Annual Charges  | 36  |
| 0517A  | Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes  | 36  |
| 0517   | Review of the Supply Matching Merit Order in Setting Capacity Charges  | 36  |
| 0502   | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point   | 36  |
| 0498   | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point   | 36  |
| 0535   | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)  | 35  |
| 0525   | Enabling EU Compliant Interconnection Agreements   | 34  |

|       |  |    |
|-------|--|----|
| 0510V | Reform of Gas Allocation Regime at GB Interconnection Points | 32 |
| 0548  | Project Nexus - deferral of Implementation Date              | 8  |

*11a. Average time between decision and implementation (separately identifying systems and non-system changes) - for modifications that completed their cycle and were implemented during Q3*

6 modifications completed their governance cycle and were implemented during Q3 2015, none of which required changes to central systems. The average time between decision and implementation was 5 days (with a range of 1 to 22 days) and a median of 2 days.

|        |   |    |
|--------|---|----|
| 0540FT | Amendment to TPD Section G2.15  | 22 |
| 0502   | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point                | 3  |
| 0498   | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point                    | 3  |
| 0548   | Project Nexus - deferral of Implementation Date   | 1  |
| 0535   | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)     | 1  |
| 0501V  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations | 1  |

*11b. Average time between decision and implementation (separately identifying systems and non-system changes) - for modifications completing their cycle up to Q2 2015 but implemented in Q3*

No modifications completed their cycles previously and were implemented during Q3 2015.

|  |      |  |
|--|------|--|
|  | None |  |
|--|------|--|

*12. Number and percentage of reports for which implementation cost estimates were available for consultation*

An estimate of implementation costs for central systems (which may be zero) was included in all 18 modifications subject to consultation in Q3 2015 (100%).

*13a. Accuracy percentage difference (whether higher or lower) between estimated and actual implementation costs for modifications that were specific to Q2 only*

No modifications implemented during Q3 2015 required changes to central systems, therefore no report is made at this time.

*13b. Accuracy percentage difference (whether higher or lower) between estimated and actual implementation costs for modifications rolling over (as in KPI 11) from previous periods to Q3*

No modifications rolled over from previous reports that were implemented during Q3 2015, therefore no report is made at this time.

## Appendix 1 – Comparison and Year to Date Performance\*

| KPI Reference |  |              | 2015 |     |     |    |            |  | 2014 | 2013 | 2012 |
|---------------|--|--------------|------|-----|-----|----|------------|--|------|------|------|
|               |  |              | Q1   | Q2  | Q3  | Q4 | Year Total |  |      |      |      |
| 2             | Reports Sent Back by the Authority                           |              | 1    | 0   | 1   |    | 2          |  | 2    | 1    | 2    |
| 3             | Decisions Panel vs Authority                                 | i) Accord    | 8    | 4   | 10  |    | 22         |  | 18   | 18   | 15   |
|               |  | ii) Conflict | 0    | 2   | 3   |    | 5          |  | 9    | 2    | 10   |
| 5             | Respondents to Consultations                                 | i) Average   | 8    | 6   | 5   |    | 6          |  | 8    | 7    | 8    |
|               |  | ii) Median   | 7    | 7   | 4   |    | 6          |  | 7    | 6    | 8    |
| 8             | Extensions to Timetable                                      |              | 2    | 13  | 12  |    | 27         |  | 42   | 52   | 26   |
| 9             | Time between 'raised' and 'submitted' (days)                 | i) Average   | 322  | 182 | 201 |    | 236        |  | 187  | 225  | 229  |
|               |  | ii) Median   | 260  | 203 | 177 |    | 217        |  | 133  | 168  | 196  |
| 10            | Time between 'submitted' and decision being published (days) | i) Average   | 110  | 131 | 59  |    | 87         |  | 65   | 44   | 125  |
|               |  | ii) Median   | 89   | 140 | 36  |    | 48         |  | 36   | 34   | 39   |

\*All data is 'number'



## Appendix 2 – Modifications included in this Report (Q3 specific)

|        |  |                 |
|--------|--|-----------------|
| 0556FT | Amendment to the Legal Text provided for "Modification 0548 Project Nexus - deferral of Implementation Date"   | Fast Track      |
| 0554FT | Gender-neutral terms within the UNC  | Fast Track      |
| 0552S  | UNC Section Y Housekeeping   | Self-Governance |
| 0548   | Project Nexus - deferral of Implementation Date  | Urgent          |
| 0547S  | Corrections to the EID arising from implementation of Modifications 0493/0500  | Self-Governance |
| 0546S  | Reduction of the Minimum Eligible Quantity (100,000kWh) for European IP capacity   | Self-Governance |
| 0544   | Amendment to charging under Modification 0428 - Single Meter Supply Points   | Withdrawn       |
| 0540FT | Amendment to TPD Section G2.15   | Fast Track      |
| 0536   | Project Nexus - deferral of elements of Retrospective Adjustment arrangements  | Withdrawn       |
| 0535   | Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)  | Modification    |
| 0525   | Enabling EU Compliant Interconnection Agreements   | Modification    |
| 0523S  | Supply Point Registration - Facilitation of 'faster switching' for Shared Meter Points   | Self-Governance |
| 0518S  | Shipper Verification of meter and address details following system meter removals  | Self-Governance |
| 0517B  | Review of the Supply Matching Merit Order in Setting Capacity Charges, Rolling Average to Reduce Volatility in Annual Charges  | Modification    |
| 0517A  | Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes  | Modification    |
| 0517   | Review of the Supply Matching Merit Order in Setting Capacity Charges  | Modification    |
| 0510V  | Reform of Gas Allocation Regime at GB Interconnection Points   | Modification    |
| 0502   | Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point   | Modification    |
| 0501CV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime | Modification    |
| 0501BV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a restricted capacity return option                             | Modification    |
| 0501AV | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including capacity return option  | Modification    |
| 0501V  | Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations  | Modification    |
| 0498   | Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point   | Modification    |



**Appendix 3 – Modifications included in this Report (previous periods rolled into Q3)**

The data sampling approach taken in compiling this report means that a modification completing its relevant governance cycle in any given quarter but being implemented in another might not feature in KPIs 11 (time between decision and implementation) and 13 (accuracy of estimated versus actual implementation costs. To avoid this, KPI 11b and 13b has been included to identify those modifications ‘rolled over’ from a previous quarter.

The table below identifies the modifications that fall into this description for this report.

|  |      |  |
|--|------|--|
|  | None |  |
|--|------|--|