

## Representation - Draft Modification Report UNC 0596

### Implementing CGR3 decisions on Significant Code Reviews and self-governance

Responses invited by: **5pm on 08 December 2016**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Angela Love
<b>Organisation:</b>	ScottishPower Energy Management Ltd
<b>Date of Representation:</b>	8 <sup>th</sup> December
<b>Support or oppose implementation?</b>	Comments
<b>Relevant Objectives:</b>	c) Positive f) Negative

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

Whilst ScottishPower recognises that this modification proposal is trying to ensure that the UNC Modification Rules are aligned with the Transporters' Licence, ScottishPower is concerned about the proposed approach under option 3 of the Significant Code Review Process. Through discussions under other Codes there were a number of concerns noted around the proposed process outlined under the Ofgem Significant Code Review Guidance Document<sup>1</sup>. In particular, in considering other on-going projects, where Ofgem has taken a more hands on approach, such as Project Nexus and Faster Switching.

Under each of these projects Ofgem has had to enlist the help of third parties, due to resource requirements. It is assumed that this would be the case in any future such projects and it is unclear how this would be more efficient than using the existing governance processes and resources or how the costs will be recovered. ScottishPower therefore believes that this proposal is detrimental to Relevant Objective (f). It has also become apparent through Project Nexus, that projects of this nature require careful management in determining the implementation date and ensuring that the cut over does not impact the stability of market arrangements or the customer experience. In addition, where the changes are across the systems of multiple Parties, and those systems have to interface with each other, it is sensible to allow for market testing ahead of implementation, as Project Nexus has proven.

For these reasons ScottishPower is concerned that there are restrictions being placed on the MOD Panel, under the UNC, around their ability to consult on proposals from Ofgem's SCR process and also that there is a restriction being placed on alternatives.

<sup>1</sup> [https://www.ofgem.gov.uk/system/files/docs/2016/06/scr\\_guidance.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/06/scr_guidance.pdf)

ScottishPower is also concerned that there may be constraints on Parties ability to attend meetings under an SCR proposal (or the meetings may not be obvious to Parties), whereas under the UNC process all Parties can use the specifically defined and tested consultation process ahead of Panel decision. Under MOD596 Parties will no longer have this consultation opportunity where option 3 is utilised.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

ScottishPower does not believe that this modification proposal meets the self-governance criteria, as it is likely to have a significant impact on the network code modification procedures.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

To align the UNC with the Transporter Licence changes this proposal would need to be in place by April 2017.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

Although no costs will be introduced through the implementation of this proposal, ScottishPower has significant concerns over the costs that could be seen under option 3, where Ofgem undertake the development of change proposals. The Ofgem Significant Code Review Guidance document does not explain how costs for such development will be recovered or which Party/Parties will be expected to meet the costs.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No

**Please provide below any additional analysis or information to support your representation**

N/A