



Code Administrators, Industry
Code Panels, Licensees and
Industry Code Parties

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Dear Colleague

Legal Text for Industry Code Modifications

I am writing to you along with other code administrators or providers of legal text for code modifications, and the industry code panels. The purpose of the letter is to highlight the importance of drafting legal text in the code modification processes.

The Code Governance Review (CGR)¹ highlighted the need for legal text to be available early in the modification process. This allows industry parties to not only understand the intent of the code modification but also the detail of how it will be implemented. This ensures better consultation and a more robust process. As part of the CGR we required changes to be made to the UNC to improve this aspect of the modification process. We expect all industry codes and their administrators to seek to meet this good practice.

It is very important that the legal text drafted delivers the intent of the proposal effectively. As noted, early availability of legal text means that this can be assessed more thoroughly through consultation with industry. However, it is ultimately your responsibility to ensure that the legal text drafted delivers the intent of the code modification. In cases where the changes are complex we ask you to provide commentary on your legal text drafting to help both ourselves and industry participants to reconcile that legal text with the proposal.

Our decision on any code modification will be assessed against this legal text. We now have a backstop power² to "send back" modifications if we consider they are deficient, including errors in the legal text. However, as this is a backstop provision we do not expect to need to use it frequently.

Finally, it is important in developing legal text that you aim to identify any potential unintended consequences or interactions with other parts of the code or subsidiary documents. Given your position, we will be more heavily reliant on you in identifying these such that the legal text not only delivers the code modification intent but that unintended consequences can be identified and addressed.

If you have any questions in relation to this letter please contact me.

Yours faithfully

Mark Cox
Associate Partner, Industry Code and Licensing

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=297&refer=Licensing/IndCodes/CGR>

² Send back facility is only available within the Uniform Network Code, Balancing and Settlement Code and Connection and Use of System Code