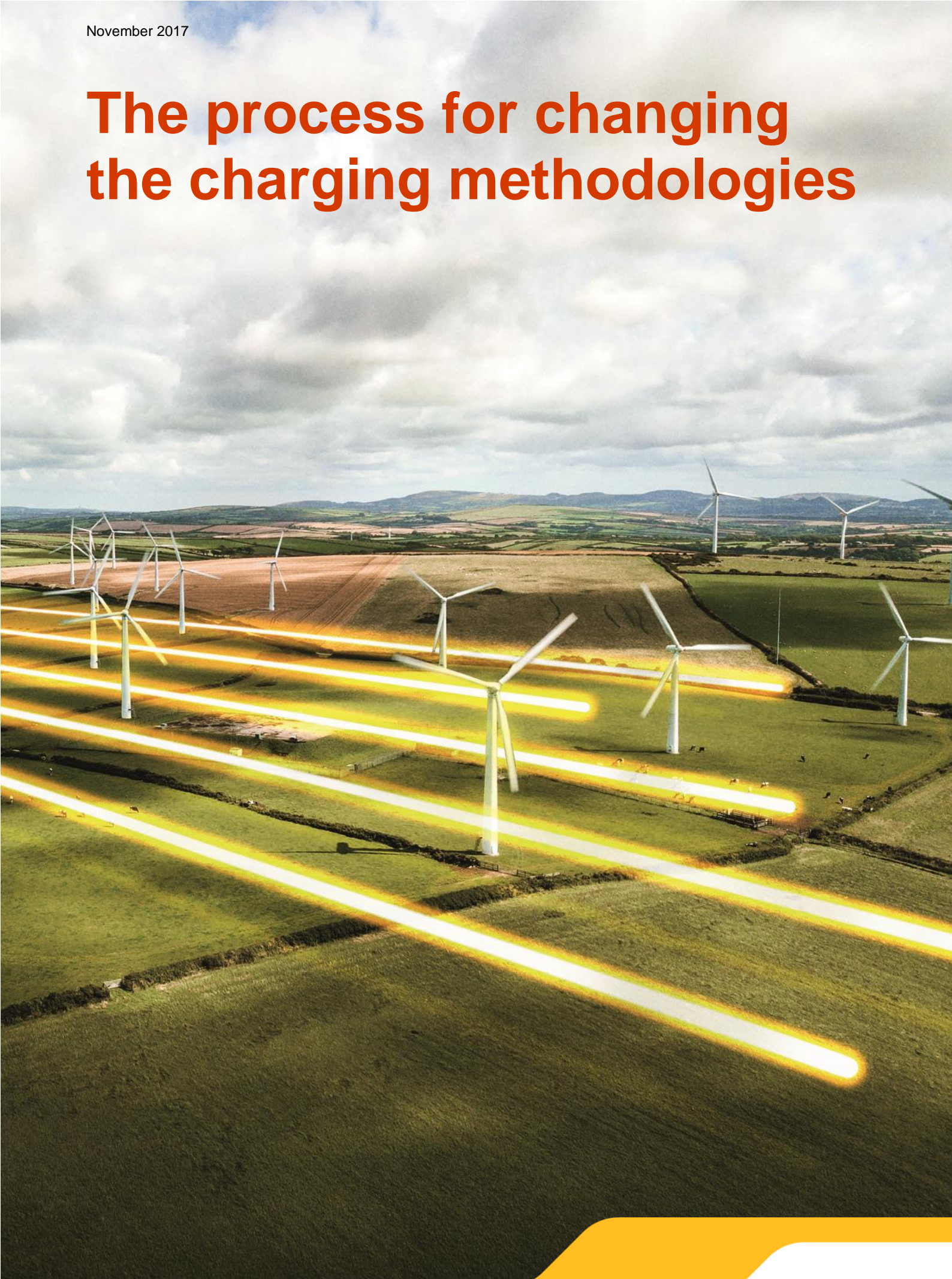November 2017

The process for changing the charging methodologies

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In this document you will find information on:

- the difference between the processes for making incremental or significant changes to network charging methodologies
- best practice guidance for raising a change
- the role of Charging Futures in coordinating multiple significant changes.

Incremental changes

Incremental changes to charging methodologies happens through changing the industry codes (CUSC, DCUSA and BSC). Industry codes are 'live' documents, meaning they can be changed by parties raising **Code Modifications**.

This process of modifying codes is the **Open Code Governance** process. Modifications can be proposed by code parties and, in some cases, other interested parties including Citizens Advice and Citizens Advice Scotland.

Each code has a panel or committee that oversees the assessment of proposed changes to that code. A general rule is that changes should only be made if they better facilitate that code's ability to meet its objectives.

For some proposed changes, the code's panel will also make the final decision on whether implementation is appropriate, but this is not always the case. Certain modifications require consent from Ofgem's governing body, the Authority.

You can find out more information on:

- industry code governance on Ofgem's website
- the CUSC, including active code modifications, on the ESO website
- the BSC, including active code modifications, on the Elexon website
- the DCUSA, including active code modifications, on the DCUSA website.

A.1.1.1 Guidance for raising a potential change

If you are considering a potential change to access and network charging arrangements, you are encouraged to follow Ofgem's new Charging Coordination Guidance. This will outline how to coordinate your issue through the Charging Futures Forum, Task Forces and the Open Governance process.

The Charging Coordination Guidance outlines:

- the recommended routes to raise your issue
- the criteria to help understand which route you should take
- who to speak to if you want to proceed with one of the routes or are still unsure.

If you are still unsure, please get in touch with Ofgem at CFF@ofgem.gov.uk or with the Lead Secretariat at chargingfutures@nationalgrideso.com who will help guide you through the coordination steps.

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Significant changes

Significant changes to charging methodologies can happen through a **Significant Code Review (SCR)**. Ofgem will undertake Significant Code Reviews (SCRs) from time to time. An SCR provides a role for Ofgem to holistically review a code-based issue (for the main commercial industry codes) and speed up industry reform.

More information on the SCR process can be found on Ofgem's website.

A.1.1.2 Coordinating multiple significant changes

Charging Futures is a new coordinated approach to considering significant code reform related to access and charging arrangements. It takes a more strategic view of access and charging change by:

- making recommendations for significant change
- recommending how these should be taken through the Open Code Governance process as individual modifications or as an SCR.