



## News Release

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### **CC STARTS ENERGY CODE MODIFICATION APPEAL**

The Competition Commission (CC) has now started its statutory 30-day period to determine its first appeal under the Energy Act 2004 against certain decisions by Ofgem on modifications to gas and electricity codes.

E.ON UK Limited (E.ON) is appealing against Ofgem's decision on modifications to the Uniform Network Code (UNC), specifically the decision to implement UNC 0116V and not UNC 0116A, which had been proposed by E.ON. The modifications relate to the gas offtake regime for the UK's high-pressure National Transmission System.

A case management conference for this appeal will be held on 31 May 2007 and hearings will be held on 6 and 7 June 2007 as well as 21 and 22 June 2007.

Each of these events will be open to the public, although the seating will be limited. For this reason the CC is accepting pre-registration for people who wish to attend the case management conference and first hearing. To register and find out more details about this appeal, including the timetable, please visit:

[www.competition-commission.org.uk/appeals/energy/current\\_cases.htm](http://www.competition-commission.org.uk/appeals/energy/current_cases.htm)

There was a previous code modification appeal in April 2006 but the appeal was abandoned.

The CC must publish its decision by 4 July 2007.

#### **Notes to editors**

1. Industry codes are effectively the rules by which participants in the gas and electricity industry operate together. The appeals process is concerned with the codes that have the most commercial significance.
2. The CC has the power to quash decisions by Ofgem, to approve modification decisions, to direct that recommended modifications rejected by Ofgem have effect, or to remit decisions to Ofgem for reconsideration and redetermination in line with the CC's directions. An appeal will normally take 12 weeks (exceptionally a maximum of 14 weeks) from the date of Ofgem's decision.

3. The right of appeal applies to three codes in each of the gas and electricity industries. Broadly speaking, appeals can be made where Ofgem rejects a majority recommendation on a particular modification by a code panel.
4. The codes to which the right of appeal apply are, in electricity: The Balancing and Settlement Code; The Connection and Use of System Code; The Master Registration Agreement (MRA), in modification cases where Ofgem has the final right of approval; and, in gas, the UNC; The Network Code, The Supply Point Administration Agreement (SPAA), in modification cases where Ofgem has the final right of approval.
5. Ofgem has the final say on modifications to certain parts of the MRA and SPAA. Modifications to other parts of these codes do not require Ofgem approval.
6. Certain decisions by Ofgem cannot be appealed, such as where the delay caused by an appeal might have a material adverse effect on the security of supply.
7. This right of appeal was provided for in Sections 173–177 and Schedule 22 of the Energy Act 2004, following a consultation by the DTI. The grounds upon which appeals can be made are set out in Section 175 of the Energy Act 2004.
8. Enquiries should be directed to Rory Taylor on 020 7271 0242 ([rory.taylor@cc.gsi.gov.uk](mailto:rory.taylor@cc.gsi.gov.uk)).